CITY OF MORGAN HILL

REDEVELOPMENT AGENCY

STAFF REPORT

MEETING DATE: *March 26, 2003*

Agenda Item # 1

Prepared By:

Finance Director

Submitted By:

Executive director

FEBRUARY 2003 FINANCE & INVESTMENT REPORT

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY: Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of February 2003. The report covers activity for the first eight months of the 2002/2003 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

FISCAL IMPACT: As presented.

This analysis of the Redevelopment Agency's financial status reflects 67% of the fiscal year.

Revenues

Through February, the Redevelopment Agency received $10,059,150 in property tax increment revenues; this is expected. Most property taxes are received in December and April. The Redevelopment Agency, as of February 28, 2003, has collected $100,000,000 in tax increment revenue under the original plan and $49,430,863, net of pass-through obligations to other agencies, toward the plan amendment cap of $147,000,000. Since the $100 million tax increment cap for the original plan was reached during 1999/2000, all tax increment revenues collected during 2002/2003 are being collected under the plan amendment.

Interest and rental income of $283,566 reflects interest income received through the first two quarters. 'Other Revenues' represent charges for current services and total $57,434.

Expenditures

Total Redevelopment Agency Capital Projects expenditures and encumbrances equal $16,007,464 and are 49% of budget. Of this total, $1,770,971 represents encumbrances for capital projects and other commitments. Expenditures for administrative costs for employee services, supplies, and contract services were 61% of budget. During July, the Agency made a $2.55 million installment payment towards the purchase of the Sports complex. During September, the Agency spent $452,977 on property acquisitions related to the Indoor Recreation Center and Butterfield Blvd. Phase IV projects. During October, the Agency placed $100,000 into escrow for the purchase of the Courthouse Facility property. During November, the Agency placed approximately $318,000 into escrow for purchase of property for the Butterfield Blvd. Phase IV street project. All Capital Projects expenditures during 2002/03 have used monies collected under the plan amendment.

Budgeted expenditures plus encumbrances for Housing are at 26% of the budget for a total of $1,811,008. Although certain loans and grants for various housing loan and grant programs have been committed, the related funds have not yet been drawn down by the recipients and, hence, are not reflected in the expenditures. All of the 2002/03 housing related expenditures have been funded with tax increment collected under the plan amendment.

Fund Balance

The unreserved fund balance of $12,867,664 for the Capital Projects Fund at February 28, 2003, consisted entirely of monies collected under the plan amendment. The unreserved fund balance of $12,867,664 at February 28 included future obligations to pay an additional $6.9 million for the Courthouse Facility, an additional $3,250,000 for purchase of the Gundersen property, an additional $2.55 million for a sports complex, and $1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all of these future commitments are subtracted from the $12,867,664, the remaining negative unreserved fund balance at February 28 would be a negative ($1,442,336). However, these commitments are expected to be paid out over the next 2 to 4 years and to reduce current resources by only an estimated $3 million in 2002/03.

The unreserved fund balance of $4,204,838 for the Housing Fund at February 28 consisted of funds all collected under the plan amendment.

REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

Monthly Financial and Investment Reports

February 28, 2003 – 67% Year Complete

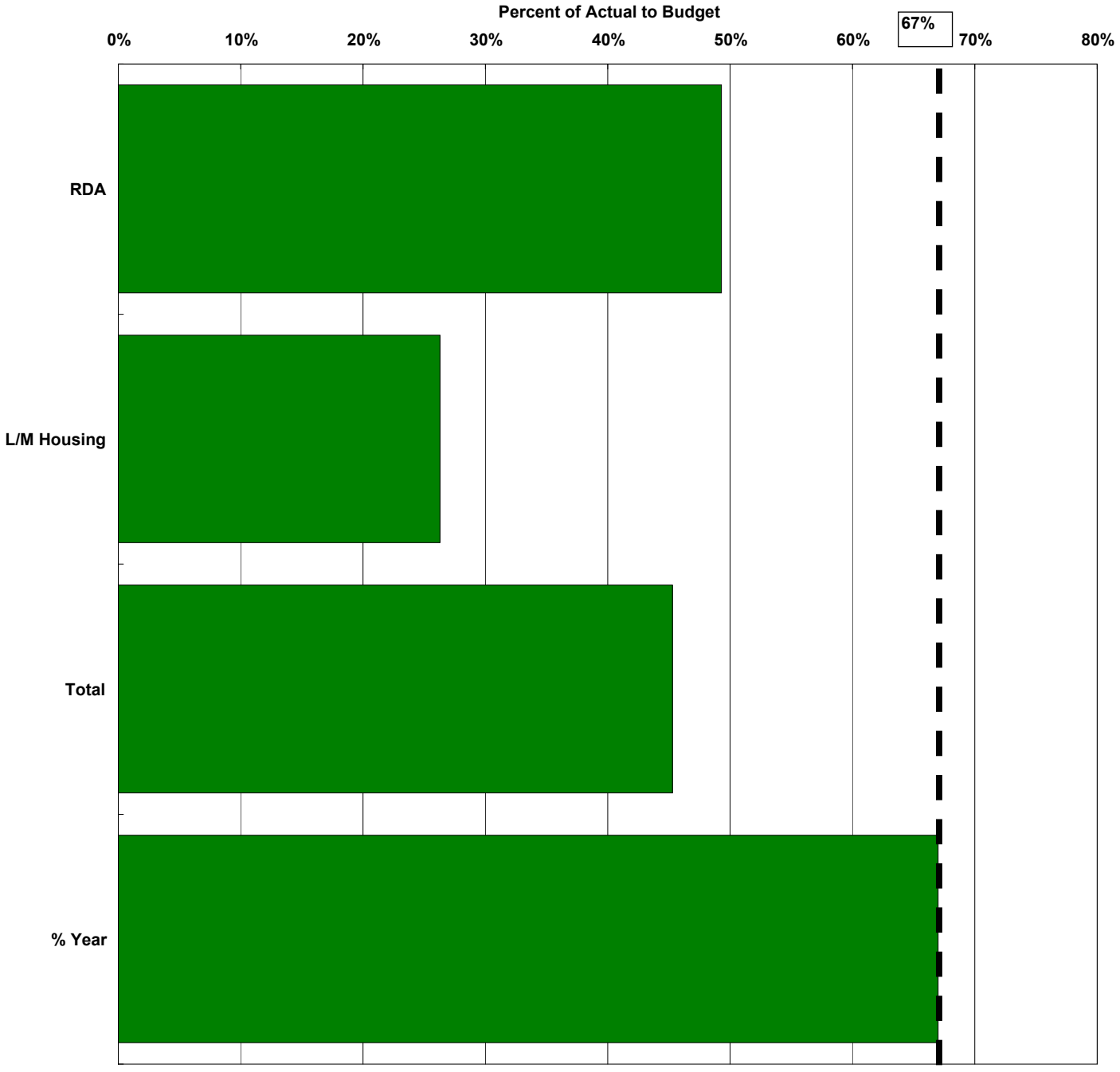
CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

Prepared by:

FINANCE DEPARTMENT

CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

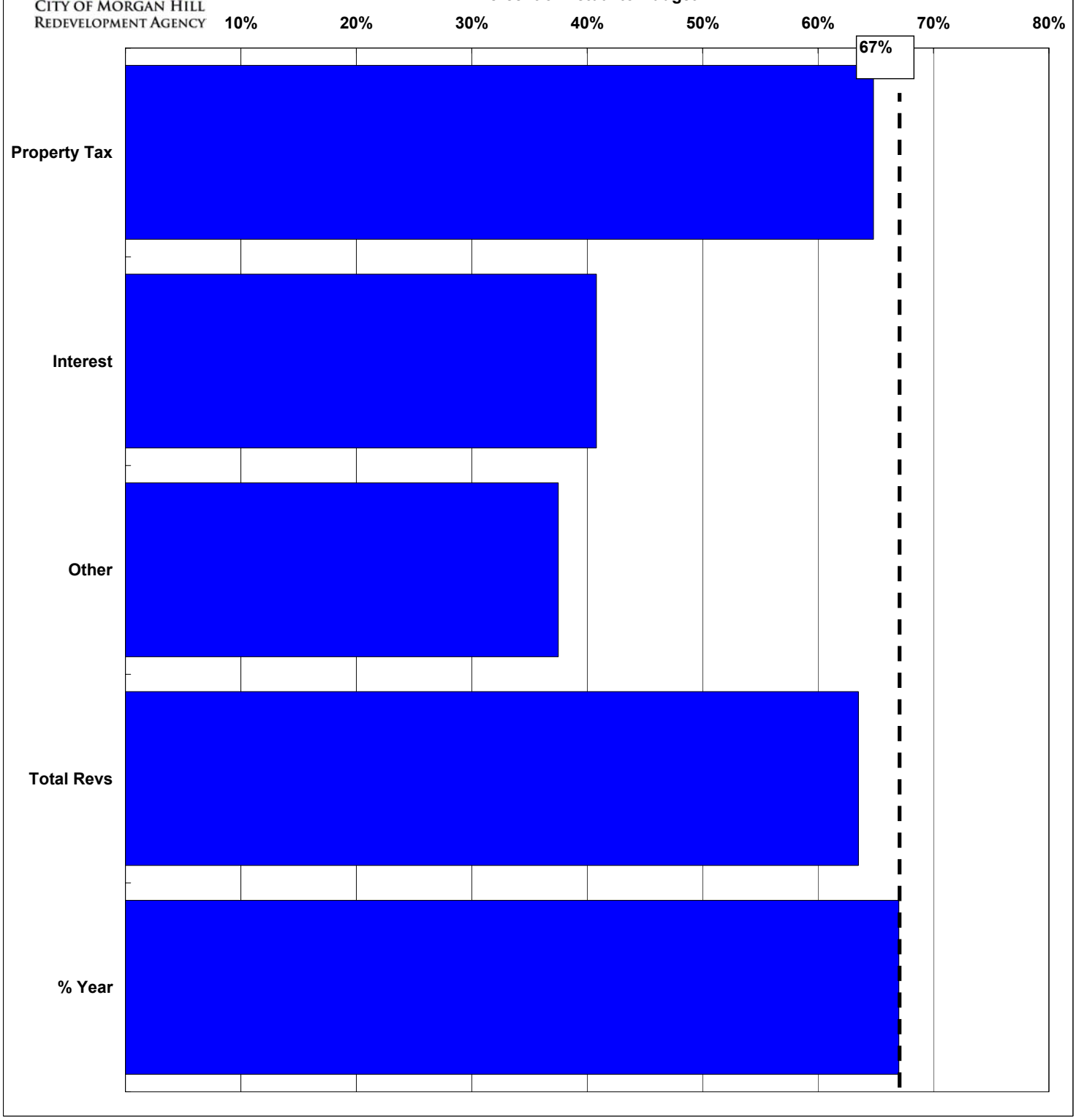
Redevelopment Agency YTD Expenditures



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	$32,464,906	$16,007,464	49%
HOUSING	6,888,925	1,811,008	26%
TOTALS	$39,353,831	$17,818,472	45%

CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

Redevelopment Agency YTD Revenues



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
PROPERTY TAXES	$15,522,000	$10,059,150	65%	$8,660,922	16%
INTEREST INCOME/RENTS	$695,853	$283,566	41%	$610,007	-54%
OTHER REVENUE	$153,090	$57,434	38%	$457,440	-87%
TOTALS	$16,370,943	$10,400,150	64%	$9,728,369	7%

CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

Redevelopment Agency
Fund Balance Report - Fiscal Year 2002/03
For the Month of February 2003
67'% of Year Complete

Fund No.	Fund	Fund Balance 06-30-02	Revenues YTD Actual	Revenues % of Budget	Expenditures YTD Actual	Expenditures % of Budget	Year to-Date Deficit or Carryover	Ending Fund Balance Reserved[1]	Ending Fund Balance Unreserved	Cash and Investments Unrestricted	Cash and Investments Restricted
317	CAPITAL PROJECTS	$22,668,149	8,155,750	64%	14,236,493	44%	(6,080,743)	3,719,743	12,867,664	14,620,827	
327/328	HOUSING	$20,823,005	2,244,400	63%	1,732,736	25%	511,664	17,129,831	4,204,838	4,286,127	
TOTAL CAPITAL PROJECT FUNDS		**$43,491,154**	**10,400,150**	**64%**	**15,969,229**	**41%**	**(5,569,079)**	**20,849,574**	**17,072,502**	**18,906,954**	
SUMMARY BY FUND TYPE											
	CAPITAL PROJECTS GROUP	$43,491,154	10,400,150	64%	15,969,229	41%	(5,569,079)	20,849,574	17,072,502	18,906,954	
	TOTAL ALL GROUPS	**$43,491,154**	**10,400,150**	**64%**	**15,969,229**	**41%**	**(5,569,079)**	**20,849,574**	**17,072,502**	**18,906,954**	
	TOTAL CASH AND INVESTMENTS									**18,906,954**	

[1] Amount reserved for encumbrances, fixed asset replacement, long-term receivables

CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

Redevelopment Agency
Year to Date Revenues - Fiscal Year 2002/03
For the Month of February 2003
67'% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	12,084,000	12,084,000	7,892,549	65%	6,789,755	1,102,794	16%
Development Agreements	-	-	-	n/a	-	-	n/a
Interest Income, Rents	595,853	595,853	206,437	35%	530,428	(323,991)	-61%
Other Agencies/Current Charges	152,500	152,500	56,764	37%	456,900	(400,136)	-88%
TOTAL CAPITAL PROJECTS	**12,832,353**	**12,832,353**	**8,155,750**	**64%**	**7,777,083**	**378,667**	**5%**
327/328 HOUSING							
Property Taxes & Supplemental Roll	3,438,000	3,438,000	2,166,601	63%	1,871,167	295,434	16%
Interest Income, Rent	100,000	100,000	77,129	77%	79,579	(2,450)	-3%
Other	590	590	670	114%	540	130	24%
TOTAL HOUSING	**3,538,590**	**3,538,590**	**2,244,400**	**63%**	**1,951,286**	**293,114**	**15%**
TOTAL CAPITAL PROJECTS FUNDS	**16,370,943**	**16,370,943**	**10,400,150**	**64%**	**9,728,369**	**671,781**	**7%**

CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

Redevelopment Agency
Year to Date Expenditures - Fiscal Year 2002/03
For the Month of February 2003
67'% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAPITAL PROJECTS								
	BAHS Administration	94,030	1,234,039	1,379,801	739,000	108,180	847,180	61%
	BAHS Economic Developme	17,013	5,348,370	5,396,069	398,386	89,139	487,525	9%
	BAHS CIP	876,120	12,771,000	25,689,036	13,099,107	1,573,652	14,672,759	57%
	TOTAL CAPITAL PROJECTS	**987,163**	**19,353,409**	**32,464,906**	**14,236,493**	**1,770,971**	**16,007,464**	**49%**
327 AND 328 HOUSING								
	Housing	112,978	6,313,976	6,888,925	1,732,736	78,272	1,811,008	26%
	TOTAL HOUSING	**112,978**	**6,313,976**	**6,888,925**	**1,732,736**	**78,272**	**1,811,008**	**26%**
TOTAL CAPITAL PROJECT FUND		**1,100,141**	**25,667,385**	**39,353,831**	**15,969,229**	**1,849,243**	**17,818,472**	**45%**

CITY OF MORGAN HILL
REDEVELOPMENT AGENCY

Redevelopment Agency of the City of Morgan Hill
Balance Sheet Report - Fiscal Year 2002/03
For the Month of February 2003
67'% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS		
Cash and investments:		
Unrestricted	14,620,827	4,286,127
Accounts Receivable	34,101	9,464
Loans and Notes Receivable[1]	2,877,694	22,628,410
Advance to Other Funds		
Fixed Assets[2]	71,049	
Other Assets		
Total Assets	17,603,671	26,924,001
LIABILITIES		
Accounts Payable and Accrued Liabilities	11,046	10,318
Deferred Revenue[3]	999,969	5,576,852
Accrued Vacation and Comp Time	5,249	2,162
Total liabilities	1,016,264	5,589,332
FUND BALANCE		
Fund Balance		
Reserved for:		
Encumbrances	1,770,971	78,272
Advance to Other Funds		
Properties Held for Resale	71,049	
Loans and Notes Receivable	1,877,723	17,051,559
Total Reserved Fund balance	3,719,743	17,129,831
Unreserved Fund Balance	12,867,664	4,204,838
Total Fund Balance	16,587,407	21,334,669
Total Liabilities and Fund Balance	17,603,671	26,924,001

[1] Includes Housing Rehab loans and loans for several housing and Agency projects.
[2] Includes RDA properties held for resale.
[3] Includes the deferred payment portion of the loans noted above.

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: March 26, 2003

Agenda Item # 2

Prepared By:

Asst. to the City Mgr.

Submitted By:

City Manager

2003 HAZARDOUS VEGETATION PROGRAM UPDATE

RECOMMENDED ACTION:

Accept report.

EXECUTIVE SUMMARY:

At the February 5, 2003 Commencement Hearing for the 2003 Hazardous Vegetation Program, the Council approved a list of parcels participating in the 2003 Program. At the hearing, two property owners raised concerns about the Program. These concerns focused on the March 1, 2003 compliance date and the tone of the written materials associated with the Program. Subsequent to the hearing, another property owner contacted Councilmember Sellers directly with similar concerns. Councilmembers also expressed concern about the number of properties in the hillside areas of Morgan Hill, noting that hilly terrain could affect owners' ability to meet the March 1 deadline.

The letter in Attachment A documents the Fire Marshal's Office work to resolve the issues raised February 5. In summary, the Fire Marshal's Office has agreed to grant a one-month extension for three properties for this year. Each of the owners has been notified of this extension. All other properties on the list in Morgan Hill remain under the March 1 compliance deadline. In addition, County staff have committed to continue to work with City staff on the tone of the written materials associated with the Hazardous Vegetation Program.

Regarding the Council's concerns about the proportion of properties on the Program that are in hillside areas, we have confirmed that 36% of the parcels are in Morgan Hill's hazardous hillside fire area. The rest are in the valley. Each of the three properties receiving an extended compliance date is located in the hazardous hillside fire area.

Staff are working with the Fire Marshal's Office to develop a new contract for the Hazardous Vegetation Program. The annual Program compliance date and the City's ability to influence the Program's written materials will be discussed during the contract negotiations.

FISCAL IMPACT:

No budget adjustment required.

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: MARCH 26, 2003

Agenda Item # 3

Prepared By:

_____
Senior Civil Engineer

Approved By:

_____
Public Works Director

Submitted By:

_____
City Manager

APPROVE PROFESSIONAL SERVICES AGREEMENT FOR CONSTRUCTION STAKING FOR BUTTERFIELD EXTENSION

RECOMMENDED ACTION(S): Authorize the City Manager to execute consultant service agreement with MH Engineering for construction staking and construction relatd services for Butterfield extension in the amount of $63,935, subject to review and approval by City Attorney.

EXECUTIVE SUMMARY: MH Engineering was the design engineer for the existing sections of Butterfield from San Pedro to Tennant and they have been under contract with several private property owners adjacent to the reach of the extension of Butterfield Boulevard south of San Pedro Avenue. Staff selected MH Engineering due to their experience with this project. MH Engineering has an extensive knowledge of the project which will serve to expedite completion of the Butterfield Boulevard Extension project.

The attached proposal provides for construction staking for the Phase IV project (San Pedro to Tennant). The costs for these services are competitive given the current construction market and MH extensive knowledge of the scope of work.

FISCAL IMPACT: The total cost for the construction staking is $63,935. The cost will be funded from CIP Project #504D99, Butterfield Boulevard Construction.

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: March 26, 2003

Agenda Item #4

Prepared By:

_____
Junior Engineer

Approved By:

_____
Public Works Director

Submitted By:

_____
City Manager

ACCEPTANCE OF WELL ABANDONMENT PROJECT

RECOMMENDED ACTION(S):

1. Accept as complete the Well Abandonment Project in the final amount of $31,175.

2. Direct the City Clerk to file the attached Notice of Completion with the County Recorder's office.

EXECUTIVE SUMMARY:

The contract for the Well Abandonment Project was awarded to Maggiora Bros. Drilling Inc., by the City Council at their October 16, 2002, meeting in the amount of $31,175. The project resulted in the abandonment of three non-functional wells as required by SCVWD. Two are old agricultural wells never used by the City, but are currently located on City owned property. The third is an old City well next to the Dunne Avenue fire station that was abandoned due to its age. Enclosed are location maps for the three wells.

The work has been completed in accordance with the plans and specifications.

FISCAL IMPACT:

This project was budgeted in the 2002-03 Capital Improvements Program budget under 504D00 in the amount of $5,550 and the 2002-2003 Water Operations Budget, 650-42231-5710 in the amount of $28,742. The allocated project construction cost including a 10% contingency was $34,292. The contract was awarded in the amount of $31,175 and the final contract price is $31,175.

Record at the request of
and when recorded mail to:

CITY OF MORGAN HILL
CITY CLERK
17555 Peak Avenue
Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION
CITY OF MORGAN HILL
WELL ABANDONMENT PROJECT

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, on the 26th day of March, 2003, did file with the City Clerk of said City, the contract for performing work which was heretofore awarded to Maggiora Bros. Drilling Inc., on October 16, 2002, in accordance with the plans and specifications for said work filed with the City Clerk and approved by the City Council of said City.

That said improvements were substantially completed on February 21, 2003, accepted by the City Council on March 26, 2003, and that the name of the surety on the contractor's bond for labor and materials on said project is Fidelity and Guaranty Insurance Company.

That said improvements consisted of the construction and installation of all items of work provided to be done in said contract, all as more particularly described in the plans and specifications therefor approved by the City Council of said City.

Name and address of Owner: City of Morgan Hill
17555 Peak Avenue
Morgan Hill, California

Dated: _____, 20__.

_____
Jim Ashcraft, Director of Public Works

I certify under penalty of perjury that the foregoing is true and correct.

Irma Torrez, City Clerk
City of Morgan Hill, CA
Date:

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: *March 26, 2003*

Agenda Item #5

Prepared By:

(Department Director)

Submitted By:

City Manager

AMENDMENT OF MUNICIPAL CODE REGARDING ADOPTION OF THE UNIFORM CODES FOR FIRE

RECOMMENDED ACTION(S):

1. Open/close Public Hearing.
2. Waive in Full the reading of the Ordinance.
3. First Reading of all Ordinance.

EXECUTIVE SUMMARY:

Pursuant to the Health and Safety Code, the California Housing and Community Development Department is required to adopt certain uniform codes, published by various professional organizations, as the codes governing various building standards, including fire. If local agencies do not act to adopt their own versions of the uniform codes, the versions adopted by HCD will govern building standards. However, local agencies may modify the uniform codes adopted by HCD upon making findings relating to local geographical, topical or climactic conditions. The Council recently adopted revised versions of the Uniform Building, Electrical, Mechanical and Plumbing Codes.

In order to maintain consistency with the adopted versions of the HCD codes, it is necessary to make revisions to certain provisions of our Municipal Code. The revisions attached hereto are for the 2001 California Fire Code, and the 2000 Edition of the Uniform Fire Code as adopted by the Western Fire Chiefs Association. The revisions were authored by Santa Clara County Fire District, and have been approved by Larry Ford, Building Official.

FISCAL IMPACT: No budget adjustment required.

ORDINANCE NO. 1612, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL REPEALING CHAPTER 15.44 (Fire Prevention Code) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL, AND ADOPTING CHAPTER 15.44 (Fire Prevention Code) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL, THEREBY ADOPTING BY REFERENCE AS THE FIRE CODE OF THE CITY OF MORGAN HILL THE TEXT OF THE 2001 CALIFORNIA FIRE CODE, AND THE 2000 EDITION OF THE UNIFORM FIRE CODE AS PUBLISHED BY THE WESTERN FIRE CHIEFS ASSOCIATION, INCLUDING APPENDICES I-C, II-A, II-B, II-C, II-D, II-I, II-J, III-A, III-B, III-C, III-D, IV-A, V-A, VI-A, VI-B, VI-C AND VI-J, AS AMENDED BY THE STATE OF CALIFORNIA, EXCEPT SUCH PORTIONS AS ARE HEREINAFTER DELETED, MODIFIED OR AMENDED REGARDING FIRE PREVENTION AND TOXIC GASES

WHEREAS, Health and Safety Code section 17958 allows the adoption by the City of Morgan Hill of regulations imposing the requirements of certain uniform industry codes as specified in Health and Safety Code section 17922; and,

WHEREAS, the City of Morgan Hill desires to adopt the Uniform Fire Code for use as the Fire Code of the City of Morgan Hill; and,

WHEREAS, Health and Safety Code section 17958.5 permits a city to make changes or modifications to the uniform codes as deemed reasonable because of local climatic, geological or topographical conditions; and,

WHEREAS the City Council finds that amendments to the Uniform Fire Code are necessary to address fire and life safety issues which are of particular concern to the citizens of the City of Morgan Hill, and propound a future direction by which the City can establish and maintain an environment which will afford a higher level of fire and life safety to all who live and work within the City's boundaries; and,

WHEREAS, the City Council finds that, pursuant to Health and Safety Code section 17958.7, the amendments to the Morgan Hill Municipal Code and the California and Uniform Fire Codes as set forth in this Ordinance are reasonably necessary to accommodate local climate, geological, or topographical conditions as set forth in general and specific terms below, and further, that any of which conditions, either alone or in combination with other factors, could quickly exhaust the resources of the Santa Clara County Fire Department, and hinder or prevent the assistance of mutual aid resources, and therefore better management of fire protection risks through these amendments is necessitated;

(a) local climatic conditions can affect the acceleration, intensity, and size of fire in the community. The City experiences years with little rainfall and frequent periods of low humidity and high temperatures. This combination can create extremely hazardous fire conditions, particularly in the hillside areas of the City. Prevailing winds may also have great impact, particularly during the summer months when such winds may carry burning brands and embers from grass or structure fires great distances, spreading the fire beyond the point of origin;

(b) the City is situated on and adjacent to active earthquake faults, including the San Andreas, which is capable of producing substantial seismic events. Upon the occurrence of a major seismic event, emergency resources would be substantially stressed and, therefore, would have to be prioritized to mitigate the greatest threats to public safety. The likely result of this situation would be that fire and other emergency resources will be unavailable for responses to commercial and industrial complexes. Some of the variables that would impact and tend to intensify the overall situation would be:

(1) the extent of damage to water systems;
(2) the extent of isolation of areas due to bridge and/or roadway collapse;
(3) the extent of roadway damage and/or amount of debris blocking the roadways;

(c) the City is located on the valley floor and adjacent hillsides, with the urban/wildland interface areas containing numerous residential, industrial, and commercial developments. Due to the nature of the topography, major arterial roadways often carry heavy commute traffic for South Valley commuters. The numerous two-lane roadways, limited access to various residential areas, and open development pattern with several outlying developments can pose difficulties for emergency vehicle access as well as problems associated with evacuations in the event of a wildland fire, major earthquake or other disaster.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 15.44 (Fire Prevention Code) of Title 15 (Buildings and Construction) of the City of Morgan Hill Municipal Code is hereby repealed in its entirety. Chapter 15.44 (Fire Prevention Code) of Title 15 (Buildings and Construction) is hereby readopted to read as follows:

15.44 Fire Prevention Code

15.44.010 Adoption of the California Fire and Uniform Fire Codes.

15.44.020 Uniform Fire Code and California Fire Code defined.
15.44.030 Establishment and duties of bureau of fire prevention.
15.44.040 Modification of provisions by Chief.
15.44.050 Establishment of limits of districts in which storage of flammable or combustible liquids in outside aboveground tanks is prohibited.
15.44.060 Establishment of limits in which storage of liquefied petroleum gases is prohibited.
15.44.070 Establishment of limits of districts in which the storage of explosives and blasting agents is to be prohibited.
15.44.080 Establishment of limits of districts in which the storage of compressed natural gas is to be prohibited.
15.44.090 Establishments of limits of districts in which the storage of stationary tanks of flammable cryogenic fluids are to be prohibited.
15.44.100 ~~**15.44.090**~~ **Section 103.1.4 of the California Fire Code amended--Inspection and enforcement--Appeals.**
15.44.110 ~~**15.44.100**~~ **Section 103.3.2.4 added--New construction and alterations--Final inspection.**
15.44.120 ~~**15.44.110**~~ **Permits for compressed gases.**
15.44.130 ~~**15.44.120**~~ **Permits—Cryogens.**
15.44.140 ~~**15.44.130**~~ **Permits--Day care facility.**
15.44.150 ~~**15.44.140**~~ **Permits--Fire protection systems.**
15.44.160 ~~**15.44.150**~~ **Permits--Institutional.**
15.44.170 ~~**15.44.160 Table 105-A amended--**~~**Permit amounts for compressed gases.**
15.44.180 ~~**15.44.170**~~ **Table 105-C amended--Permit amounts for hazardous materials.**
15.44.190 ~~**15.44.180 Section 204-C amended--Definitions and abbreviations--**~~ **Continuous gas detection system *and Corrosive Liquid Definitions*.**
15.44.200 ~~**15.44.190 Section 209-H amended--Definitions and abbreviations--**~~**Hazardous materials business plan *definition*.**
15.44.210 ~~**15.44.200 Section 214-M amended--Definitions and abbreviations--**~~ **Moderately toxic gas *Definition*.**
15.44.220 Refrigerant Circuit Definition.
15.44.230 ~~**15.44.210 Section 220-S amended--Definitions and abbreviations--Moderately toxic gas.**~~ ***Secondary Containment, Segregated, Semiconductor Fabrication Storage/Use Facility, Definitions.***
15.44.240 Workstation Definition.
15.44.250 Access Control Devices.
15.44.260 ~~**15.44.220 Section 903.3 amended--**~~**Water supplies.** ~~**and fire hydrants.**~~
15.44.270 ~~**15.44.230 Section 1003.1.2 amended--**~~**Fire extinguishing system *standards*.**
15.44.280 Monitoring of Other Approved Fire Extinguishing Systems.
15.44.290 ~~**15.44.240 Section 1003.2.2 amended--**~~**Fire sprinklers required.**
~~**15.44.300 Section 4.1 amended--Protection of aboveground tanks for motor vehicle fuel-dispensing stations outside building--Appendix II-F.**~~
15.44.300 Immersion Heaters.

~~**15.44.310 Section 4.3 amended--Protection of aboveground tanks for motor vehicle fuel-dispensing stations outside buildings-Appendix II-F.**~~

15.44.310 Portable Fueled Open-Flame Heating Appliances.
15.44.320 Emergency Plans.
15.44.330 Protected aboveground tanks.
15.44.340 Refrigeration Systems.
15.44.350 Refrigeration Definitions.
15.44.360 Battery System Ventilation.
15.44.370 ~~*15.44.250 Section 7901.3.2 amended--*~~***Flammable and combustible liquids--Plans.***
15.44.380 ~~**15.44.260 Section 7901.13 added--**~~**Flammable and combustible liquids--Monitoring.**
15.44.390 ~~**15.44.270 Section 7901.14 added--**~~**Flammable and combustible liquids--Containment requirements.**
15.22.400 ~~**15.44.280 Section 7902.2.2.1 amended--**~~**Flammable and combustible liquids—*Tank* Locations.** ~~**where aboveground tanks are prohibited**~~**.**
15.44.410 Hazardous Materials Permits.
15.44.420Hazardous Materials Inventory Statement .
15.44.430 Systems, Equipment and Processes – Design and Construction.
15.44.440 Piping for Health Hazard Materials.
15.44.450 Release of Hazardous Materials.
15.44.460 Identification Signs.
15.44.470 Ventilation Ducting Labeling.
15.44.480 Piping and Tubing Labeling.
15.44.490 Separation of Incompatible Materials.
15.44.500 Monitoring of Hazardous Materials.
15.44.510 Secondary Containment Requirements.
15.44.520 Storage/Use System Closure.
15.44.530Temporarily Out-of-Service Facilities.
15.44.540 Permanently Out-of-Service Facilities.
15.44.550 Storage Termination Plan.
15.44.560 Highly Toxic Gases.
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15.44.010 Adoption of the California Fire and Uniform Fire Codes.

There is adopted by reference by the City of Morgan Hill the ~~1998~~ ***2001*** California Fire Code, and the ~~1997~~ ***2000*** Uniform Fire Code, including Appendix Chapters I-C, II-A, II-B, II-C, II-D, II-I, II-J, III-A, III-B, ***III-C, III-D***, IV-A, V-A, VI-A, VI-B, VI-C, and ***VI-J*** ~~the 1997 Edition of the Uniform Fire Code Standards~~ as published by the ***Western Fire Chief Association*** ~~International Fire Code Institute~~, save and except such portions as are hereinafter deleted, modified or amended by this chapter. From the effective date of the ordinance codified in this chapter, such codes, as amended in this chapter, shall be controlling within the jurisdictional limits of the City of Morgan Hill. One copy of the codes shall be kept on file at all times in the office of the Building Official of the City of Morgan Hill, and the administrative offices of the Santa Clara County Fire Department, for use and examination by the public.

15.44.020 Uniform Fire Code and California Fire Code defined.

Whenever the phrase "Uniform Fire Code" appears in this code or any ordinance of the city, such phrase shall be deemed and construed to refer to and apply to the Uniform Fire Code, ***2000*** ~~1997~~ Edition, as adopted and amended by this chapter. Whenever the phrase "California Fire Code" appears in this code or any ordinance of the city, such phrase shall be deemed and construed to refer to and apply to the ***2001*** ~~1998~~ California Fire Code, as adopted and amended by this chapter.

15.44.030 Establishment and duties of bureau of fire prevention.

The Uniform Fire Code shall be enforced by the bureau of fire prevention in the Santa Clara County Fire Department, which shall be operated under the supervision of the Chief of the ***department*** ~~district~~.

15.44.040 Modification of provisions by Chief.

A. The Chief of the Santa Clara County Fire Department shall have power to modify any of the provisions of the fire prevention code upon application in writing by the owner or lessee, or their duly authorized agent, when there are practical difficulties in the way of carrying out the strict letter of the codes, provided that the spirit of the codes shall be observed, public safety secured and substantial justice done.

B. The particulars of such modification, when granted or allowed, and the decision of the Chief shall be entered in the records of the ***department*** ~~district~~ and a signed copy shall be furnished to the applicant for modification.

15.44.050 Establishment of limits of districts in which storage of flammable or combustible liquids in outside aboveground tanks is prohibited.

The limits referred to in Sections 7902.2.2.1 and 7904.2.5.4.2 of the California Fire Code, in which the storage of flammable or combustible liquids in aboveground tanks is prohibited are established as all locations of the City of Morgan Hill which are residential or concentrated commercial areas as determined by the Fire Chief.

15.44.060 Establishment of limits in which storage of liquefied petroleum gases is prohibited.

The limits referred to in Section 8204.2 of the California Fire Code, in which storage of liquefied petroleum gas for the purposes of dispensing is restricted, are established as all locations of the City of Morgan Hill which are residential. Locations for the storage of liquefied petroleum gases for residential use or for storage and/or dispensing in commercial areas shall be as approved by the Fire Chief.

Exceptions: LPG may be used for industrial operations or when natural gas would not provide a viable substitute for LPG. Portable containers for temporary heating and/or cooking uses may be permitted if stored and handled in accordance with this code. Facilities in commercial area for refueling portable or mobile LGP containers may be approved by the Chief on a case-by-case basis.

15.44.070 Establishment of limits of districts in which the storage of explosives and blasting agents is to be prohibited.

The limits referred to in Section 7701.7.2 of the California Fire Code, in which the storage of explosives and blasting agents is prohibited, are established as the ***city*** limits of the City of Morgan Hill.

15.44.080 Establishment of limits of districts in which the storage of compressed natural gas is to be prohibited.

The limits referred to in Section 5204.5.2 of the California Fire Code, in which the storage of compressed natural gas for the purposes of dispensing is prohibited, are established as all locations of the City of Morgan Hill which are residential. Locations for

the storage of compressed natural gas for residential use or for storage and/or dispensing in commercial areas shall be as approved by the Fire Chief ***on a case-by-case basis.***

15.44.090 Establishments of limits of districts in which the storage of stationary tanks of flammable cryogenic fluids are to be prohibited.

The limits referred to in Section 3-1.5 of the Uniform Fire Code Standard 80-3 in which the storage of flammable cryogenic fluids in stationary containers is prohibited are hereby established as all locations of the City of Morgan Hill which are residential and concentrated commercial areas as determined by the Chief.

15.44.100 ~~**15.44.090**~~ **Section 103.1.4 of the California Fire Code amended--Inspection and enforcement--Appeals.**

Section 103.1.4.1 is amended ***to read*** as follows:

103.1.4.1 Appeals. In order to review the determinations made by the Fire Chief relative to the suitability of alternative materials and methods of construction, interpretations of the provisions of the Fire Code, and to make recommendations to the City Council concerning amendments to the Fire Code, a Fire Code Advisory Committee consisting of five (5) members qualified by experience and training to pass upon matters pertaining to fire safety shall be appointed by the City Manager as the occasion arises.

The Fire Chief or his designee shall be an ex officio member of the Fire Code Advisory Committee and shall act as secretary. The Fire Code Advisory Committee shall adopt reasonable rules and regulations for conducting its hearings and investigations.

Any person may request a review by the Fire Code Advisory Committee on a subject within the jurisdiction of the Fire Code Advisory Committee. The appeal shall be in writing and filed at the office of the Fire Chief within (30) days of the Fire Chief's determination. The appellant shall agree to bear the expense of any tests required by the Committee in connection with the appeal. The Committee shall render its findings and decisions to the Fire Chief with a copy to the appellant.

15.44.110 ~~**15.44.100**~~ **Section 103.3.2.4 added--New construction and alterations--Final inspection.**

Section 103.3.2.4 is added to read as follows:

103.3.2.4 Final Inspection. No final inspection as to all or any portion of a development shall be deemed completed until the installation of the required fire protection facilities and access ways has been completed and approved. ~~by County Fire Department and the City~~. ~~When fire protection facilities and access ways are a condition of approval for the development,~~ No final certificate of occupancy may be granted until the ~~County~~ Fire Department issues a notice of final clearance to the City Building Division.

15.44.120 ~~15~~**.44.110 Permits for compressed gases.**

Section 105.8 c.7 is amended to read as follows:

c.7. COMPRESSED GASES. To store, use or handle at normal temperatures and pressures compressed gases in excess of the amounts listed in Table 105-A, to install any piped distribution system for compressed gases, or to install a non-flammable medical gas manifold system. A permit is required to install, repair, abandon, remove, place temporarily out of service, close or substantially modify a compressed gas system.

The permit applicant shall apply for approval to close storage, use or handling facilities at least 30 days prior to the termination of the storage, use or handling of compressed or liquefied gases. Such application shall include any change or alteration of the facility closure plan filed pursuant to Section 8001.13. This 30-day period may be waived by the Chief if there are special circumstances requiring such waiver. For emergency repair work, an application for permit shall be made within two working days of commencement of work.

EXCEPTIONS:

1. Routine maintenance;

2. Emergency repair work performed on an emergency basis***, however, an application for permit shall be made within two working days of commencement of work.***

3. Inert and simple asphyxiants at or below the amounts listed in Table 105-A.

Specific findings: The UFC is silent on the need for a permit for compressed gas piping distribution systems or non-flammable compressed gases used for medical gas systems. This amendment requires permits for those systems since improper installation due to non-regulation may be hazardous.

15.44.130 ~~15.44.120~~ **Permits--Cryogens.**

Section 105.8 c.9 is amended to read as follows:

c.9. CRYOGENS. Except where federal or state regulations apply and except for fuel systems of the vehicle, to produce, store or handle cryogens in excess of the amounts listed in Table 105-B, or to install a cryogenic vessel or piping system for the storage or distribution of cryogens. See Article 75.

Specific findings: The UFC is silent on the need for a permit to install a piping distribution system for cryogens. This amendment requires permits for those systems since improper installation due to non-regulation may be hazardous.

15.44.140 ~~**15.44.130**~~ **Permits--Day care facility.**

Section 105.8 d.3 is added to read as follows:

d.3 Day care facility. To operate a business as a day care facility for more than 6 people.

Specific findings: The UFC does not require a permit for day care occupancies. Because the Santa Clara County ~~central~~ Fire Department is required by state statute to inspect them, a permit should be required for such occupancies to operate within the city to help insure adequate regulation.

15.44.150 ~~**15.44.140**~~ **Permits--Fire protection systems.**

Section 105.8 f.6 is added to read as follows:

f.6 Fire protection systems. To install, alter or change any fire hydrant system, fire extinguishing system or fire alarm system.

Specific findings: Although the UFC requires that the Santa Clara County ~~central~~ Fire Department approve the alteration, or change of a fire hydrant system, fire extinguishing system or fire alarm system, it does not require a permit. A permit should be required to insure adequate regulation of these activities and cost recovery for the necessary inspections.

15.44.160 ~~**15.44.150**~~ **Permits--Institutional.**

Section 105.8 i.1 is added to read as follows:

i.1 Institutional. To operate, maintain, or use any institutional type occupancy. For the purpose of this Section, an institution shall be, but is not limited to: hospitals, children's home, home or institution for insane or mentally retarded persons, home or institution for the care of aged or senile persons, sanitarium, nursing or convalescent home, certified family care homes, residential care homes for the elderly, out of home placement facilities, halfway house, and day care nurseries or similar facility of any capacity.

Specific findings: The UFC does not require a permit for institutional type occupancies. Because the Santa Clara County ~~central~~ Fire Department is required by state statute to inspect them, a permit should be required for such occupancies to operate within the city to help insure adequate regulation.

15.44.170 ~~**15.44.160**~~ ~~**Table 105-A amended--**~~**Permit amounts for compressed gases.**

Table 105-A is amended as follows:

TABLE 105-A PERMIT AMOUNTS FOR COMPRESSED GASES[1]	
TYPE OF GAS	**AMOUNT (cubic feet)*2* X 0.0283 for m^3**
Corrosive	200
Flammable (except cryogenic and liquefied petroleum gases)	200
Highly toxic	Any amount
Inert and simple asphyxiant	6,000
Irritant	200
Moderately toxic	20
Other health hazards	650
Oxidizing (including oxygen)	504
Pyrophoric	Any amount
Radioactive	Any amount
Sensitizer	200
Toxic	Any amount
Unstable (reactive)	Any amount

1 See Articles 74, 80 and 82 for additional requirements and exceptions.
2 ***Cubic feet measured at normal temperature and pressure.***

Specific findings: This amendment adds the category of "moderately toxic" gases to the table. The moderately toxic gas classification is not found in the Fire Code but is found in the toxic gas ordinance (TGO) adopted by the city. Therefore, this amendment is necessary for consistency between the UFC and the TGO.

15.44.180 ~~**15.44.170**~~ **Table 105-C amended--Permit amounts for hazardous materials.**

Table 105-C is amended as follows:

TABLE 105-C PERMIT AMOUNTS FOR HAZARDOUS MATERIALS[1]	
TYPE OF MATERIAL	AMOUNT x 0.4536 for lbs. to kg x 3.785 for gal. to L
Carcinogens	10 pounds

Cellulose nitrate	See No. c.4
Combustible fiber	See No. c.5
Combustible liquids	See No. f.3
Corrosive gases	See No. c.7
Corrosive liquids	55 gallons
Corrosive solids	500 pounds
Cryogens	See No. c.9
Explosives	See No. e.1
Fireworks, 1.4G	***See No. f.2***
Flammable gases	See No. c.7
Flammable liquids	See No. f.3
Flammable solids	10 pounds
Highly toxic gases (including pesticides and fumigants)	See No. c.7
Highly toxic liquids and solids (including pesticides and fumigants)	Any amount
Irritant liquids	55 gallons
Irritant solids	500 pounds
Liquefied petroleum gases	See No. l.1
Magnesium	See No. m.1
Moderately toxic gas	See No. c.7
Nitrate film	See No. c.3
Oxidizing gases	See No. c.7
Oxidizing liquids	Any amount
Oxidizing solids	Any amount
Organic peroxide liquids and solids	Any amount
Other health hazards: Liquids	55 gallons
Other health hazards: Solids	500 pounds
Pyrophoric gases	See No. c.7
Pyrophoric liquids	Any amount
Pyrophoric solids	Any amount
Radioactive materials (including gases, liquids and solids)	See No. c.7 and r.1

Sensitizer liquids	55 gallons
Sensitizer solids	500 pounds
Toxic gases	See No. c.7
Toxic liquids	Any amount
Toxic solids	Any amount
Unstable (reactive) gases	See No. c.7
Unstable reactive liquids	Any amount
Unstable reactive solids	Any amount
Water reactive liquids	Any amount
Water reactive solids	Any amount

[1] See Article 80 for additional requirements and exceptions.

Specific findings: This amendment adds the category of "moderately toxic gas" to the table. The moderately toxic gas classification is not found in the Fire Code but is found in the toxic gas ordinance (TGO) adopted by the city. Therefore, this amendment is necessary for consistency between the UFC and the TGO.

15.44.190 ~~**15.44.180 Section 204-C amended--Definitions and abbreviations--**~~ **Continuous gas detection system** ***and Corrosive Liquid Definitions*****.**

Section 204-C is amended to read as follows:

204-C CONTINUOUS GAS DETECTION SYSTEM is a gas detection system where the analytical instrument is maintained in continuous operation and sampling is performed without interruption. Analysis is allowed to be performed on a cyclical basis at intervals not to exceed 5 minutes.

CORROSIVE LIQUID. Corrosive liquid is a liquid which, when in contact with living tissue, will cause destruction or irreversible alteration of such tissue by chemical action. Examples include acidic, alkaline or caustic materials. Such material will be considered corrosive when the Ph is 2 or less or 12.5 or more, except for foodstuffs or medicine. Included are materials classified as corrosive by the Department of Transportation and Title 22 California Code of Regulations Section 66261.

Specific findings: Under the UFC definition, a continuous gas detection system is allowed to perform sampling at thirty minute intervals. It is the consensus of the Santa Clara County hazardous materials subcommittee that thirty minutes is much too long and may allow a lethal condition to develop before the gas leak is detected. This amendment requires that sampling be done at five minute intervals. Under the UFC definition, a Corrosive Liquid is a liquid which damages living tissue. It has been determined that

there are corrosive liquids that do little or no damage to living tissue but can damage other materials such as some metals. Therefore, expanding the definition to include a pH threshold provides a more comprehensive definition.

15.44.200 ~~**15.44.190 Section 209-H amended--Definitions and abbreviations--**~~ **Hazardous materials management plan *definition*.**

Section 209-H is added to read as follows:

209-H HAZARDOUS MATERIALS *MANAGEMENT* ~~**BUSINESS**~~ **PLAN (*HMMP*** ~~**HMBP**~~**)** is a written plan containing at a minimum the information required pursuant to section 25500 and following of the Health and Safety Code.

Specific findings: The UFC does not use this definition, however, the reference to a hazardous materials management plan is found in the health and safety code which must be enforced pursuant to the adopted hazardous materials storage ordinance. Therefore, this definition is added to be consistent with the health and safety code.

15.44.210 ~~**15.44.200 Section 214-M amended--Definitions and abbreviations--**~~ **Moderately toxic gas *Definition*.**

Section 214-M is added to read as follows:

214-M MODERATELY TOXIC GAS is a chemical or substance that has a median lethal concentration (LC_{50}) in air more than 2000 parts per million but not more than 5000 parts per million by volume of gas or vapor, when administered by continuous inhalation for an hour, or less if death occurs within one hour, to albino rats weighing between 200 and 300 grams each.

Specific findings: The UFC does not use this definition, however, the reference to a moderately toxic gas is consistent with other regulations adopted by the city for hazardous materials. Therefore, this definition is added to be consistent with the adopted toxic gas ordinance.

15.44.220 Refrigerant Circuit Definition.

Section 219-R is amended to read as follows:

219-R REFRIGERANT CIRCUIT shall consist of all portions of a system that contain refrigerant.

Section *15.44.230* ~~**15.44.210 Section 220-S amended--Definitions and abbreviations--Moderately toxic gas.**~~ ***Secondary Containment, Segregated, Semiconductor Fabrication Storage/Use Facility, Definitions.***

Section 220-S is amended to read as follows:

220-S ***SECONDARY CONTAINMENT is that level of containment that is external to and separate from primary containment and is capable of safely and securely containing the material, without discharge, for a period of time reasonably necessary to ensure detection and remedy of the primary containment failure.***

SEGREGATED is storage in the same room or inside area, but physically separated by exclusive secondary containment from incompatible materials.

STORAGE/USE FACILITY is a building, portion thereof, or exterior area used for the storage, use, or handling of hazardous materials where the quantity of hazardous materials is equal to or greater than the permit amounts specified in Section 105.

STORAGE/USE SYSTEM is any one or combination of tanks, sumps, waste treatment facilities, pipes, vaults or other portable or fixed containers, and their secondary containment systems which are used, or designed to be used, for the storage, use, or handling of hazardous materials at a storage/use facility.

Specific findings: The UFC does not use these definitions, however, the reference ***to secondary containment and segregated, as well as*** to a storage/use facility and storage/use system is found in other regulations adopted by the city for hazardous materials. Therefore, this definition is added to be consistent with the adopted hazardous materials storage ordinance.

15.44.240 Workstation Definition.

Section 224-W is amended to add a definition to read as follows:

SECTION 224 – WORKSTATION is a defined space or independent principal piece of equipment using hazardous materials where a specific function, laboratory procedure or research activity occurs. Approved or listed hazardous materials storage cabinets, flammable liquid storage cabinets or gas cabinets serving a workstation are included as part of the workstation. A workstation is allowed to contain ventilation equipment, fire protection devices, electrical devices, and other processing and scientific equipment.

15.44.250 Access Control Devices.

Section 902.5 is added to read as follows:

902.5 Access Control Devices. When access control devices including bars, grates, gates, electric or magnetic locks or similar devices which would inhibit rapid fire department emergency access to the building are installed, such devices shall be approved by the Chief. All access control devices shall be provided with an approved

means for deactivation or unlocking by the fire department. Access control devices shall also comply with Article 12 for exiting.

Specific Finding: Many businesses install security systems to control personnel entry into buildings or into areas within buildings. These systems also impact the ability for the fire department to access the building in the event of an emergency. This amendment requires that some means be provided for the fire department to deactivate the security access control system under emergency conditions so as not to delay emergency operations. A delay in implementing suppression operations could result in the intensification of the fire, which could overwhelm local fire suppression resources and require mutual aid assistance. The City of Morgan Hill is geographically isolated from adjacent municipalities, therefore, mutual aid response time would be extended potentially resulting in more extensive fire damage.

15.44.260 ~~**15.44.220 Section 903.3 amended--**~~**Water supplies.** ~~**and fire hydrants**~~

Section 903.3 is amended to read as follows:

903.3. Type of Water Supply. Water supply is allowed to consist of reservoirs, pressure tanks, elevated tanks, water mains or other fixed systems capable of providing the required fire flow. In setting the requirements for fire flow, the Chief may be guided by Appendix III-A. Where water supplies available for fire protection do not meet the requirements of Appendix III-A, an approved (approved means as approved by the Fire Chief) automatic fire sprinkler system installed throughout the building will be an acceptable alternate to all or a portion of the water supply required, as determined by the Chief, provided that a sprinkler system is not otherwise required by this code or the Building Code.

Specific findings: The UFC allows the use of alternate materials or methods of protection for regulatory compliance. One of the most common alternatives is the installation of automatic fire sprinklers in a building if the fire protection water supplies available do not meet the requirements of the Fire Code. This amendment simplifies the process for the customer. With this amendment, the installation of a sprinkler system is offered as an option if adequate fire protection water is not available and eliminates the need for an alternate materials application and submittal to the Fire Chief.

15.44.270 ~~**15.44.230 Section 1003.1.2 amended--**~~**Fire extinguishing system *standards*.**

Section 1003.1.2 is amended to read as follows:

1003.1.2 Standards. Fire extinguishing systems shall comply with the Building Code. Fire sprinkler systems required by the Fire Code, as amended, shall be installed in accordance with National Fire Protection Association (NFPA) Standards, as referenced in the Building Code, and Santa Clara County Fire Department Standards.

Specific findings: This amendment provides that, in addition to the requirements of the Building Code, automatic fire sprinkler systems must comply with Santa Clara County Fire Department standards. Santa Clara County Fire Department standards apply to specific, technical fire sprinkler installation issues that are either not addressed in the Building Code Standard or are left to the discretion of the Santa Clara County Fire Department. Example: the location of Santa Clara County Fire Department sprinkler connections.

15.44.280 Monitoring of Other Approved Fire Extinguishing Systems.

Section 1003.1.3 is added to read as follows:

1003.1.3 Monitoring of Other Approved Fire Extinguishing Systems. When a fire alarm system or fire sprinkler monitoring system is installed in a building, the system shall monitor all fire extinguishing systems including, but not limited to, commercial kitchen extinguishing systems, clean agent systems, CO2 systems, dry chemical and foam systems. Activation of the fire extinguishing system shall send an alarm signal and initiate the alarm signaling devices.

Specific Finding: The California Fire Code does not require that fire suppression systems, other than fire sprinkler systems, be remotely monitored for system activation. Therefore, other types of fire suppression systems such as a kitchen hood protection system, could activate due to a fire but the fire department would not be immediately notified. This amendment requires that if sprinkler system monitoring is provided, other suppression systems in the building are also to be monitored so as not to cause a delay in fire department response. A delay in implementing suppression operations could result in the intensification of the fire, which could overwhelm local fire suppression resources and require mutual aid assistance. The City of Morgan Hill is geographically isolated from adjacent municipalities, therefore, mutual aid response time would be extended potentially resulting in more extensive fire damage.

15.44.290 ~~**15.44.240 Section 1003.2.2 amended –**~~**Fire sprinklers required.**

Section 1003.2.2 is amended to read as follows:

1003.2.2 Fire sprinklers required. An automatic fire sprinkler system shall be installed and maintained in all new construction regardless of floor area or occupancy type.

EXCEPTIONS:

1. Group R division 3 one and two family dwellings that are not located in the Hazardous Fire Area and not exceeding 4500 square feet total floor area. The

Developer/Contractor/Owner Builder shall provide an automatic fire sprinkler system as an option to the buyer.

2. Group ***U*** ~~U-1 and U-2~~ occupancies ***that are not located in the Hazardous Fire Area and do not exceed 4500 square feet.***

All portions of existing non-sprinklered buildings shall be sprinklered if any one of the following conditions apply:

~~(a) An addition which exceeds fifty percent (50%) of the original permitted square footage of the structure.~~

~~(b) An alteration or repair which exceeds fifty percent (50%) of the value of the original permitted structure.~~

~~(c) An addition which exceeds two thousand (2,000) square feet of the original permitted structure.~~

~~(d) Any change of occupancy use.~~

(a) An addition to a commercial building which exceeds fifty percent (50%) of the original permitted square footage of the structure.

(b) An alteration or repair to a commercial building which exceeds fifty (50%) of the value of the original permitted structure.

(c) An addition to a commercial building which exceeds two thousand (2,000) square feet of the original permitted structure.

(d) Any change of occupancy type for a commercial building.

(e) An addition to a Group R Division 3 one and two family dwelling or Group U occupancy that is located in the Hazardous Fire Area and the addition exceeds 500 square feet.

(f) An addition to a Group R Division 3 one and two family dwelling or Group U occupancy that is not located in the Hazardous Fire Area and the addition increases the total floor area of the original permitted square footage of the structure (including garage areas) to more than 4500 square feet.

Specific Finding: This amendment existed under the previous city Fire Code and is carried over to the new code adoption. It requires all new commercial buildings and large or hillside-located single-family residences to be equipped with fire sprinklers. The category of building that the model UFC requires sprinklers to be installed in is very limited and accounts for a small percentage of the actual type and size of buildings that are typically constructed within the city. This amendment would help reduce overall fire risk to the community. The City of Morgan Hill is fairly isolated from other large metropolitan areas and has active seismic fault lines running through and/or adjacent to it. Due to the geological area, Morgan Hill has had major earthquakes, and topographically Morgan Hill has steep hillside development where a long response time exists for emergency vehicles. The city foothills cause many problems for firefighters including long response times, inadequate water supply and unlimited fuel. The city is in a region which experiences high winds and low humidity during summer months. Winter rains promote the growth of grass and brush. This vegetation presents heavy dry fuel loads in the summer months. The conditions are conducive to the ready ignition, propagation and spread of grass, brush and structure fires. Fog, heavy rains, mud slides and earthquakes are other common occurrences which negatively affect the ability of the city's public safety resources to respond to emergency situations. The topography of Morgan Hill has hillside homes on each side of the city with long response time for safety equipment. The city is in a Zone 4 seismic activity classification, which is the highest classification. Many traffic corridors such as Highway 101 and Monterey Road, Southern Pacific Railroad, related bridges, underpasses and crossings are subject to obstruction in the event of an earthquake, traffic accident, hazardous material spill or other disaster. ***The City of Morgan Hill has many residential areas located in the hillside Hazardous Fire Area where roads are steep and narrow and warm temperatures during the summer months create conditions which are particularly conducive to the ignition and spread of grass and brush fires. Response time to a fire in a hillside home is generally extended, therefore, larger fires can develop and potentially spread to the wildland area and involve other homes. Additionally, the City of Morgan Hill is geographically isolated from adjacent municipalities. In the event of a large commercial structure fire, locally available fire resources are limited and mutual aid response would be needed. However, the response time of such outside assistance will be extended, potentially resulting in more extensive fire damage. Fire sprinklers will completely extinguish or control fires until such time that local suppression crews arrive thereby reducing the need for resources outside of the City.*** Any of the above factors could quickly exhaust the department's resources and prevent the assistance of mutual aid resources. Therefore, better management of the fire protection risks through this amendment is necessitated as fire sprinklers will help control fires until such time that emergency crews arrive.

15.44.300 Immersion Heaters.

Section 1107.3 is added to read as follows:

1107.3 Immersion heaters. All electrical immersion heaters used in dip tanks, sinks, vats and similar operations shall be provided with approved over-temperature

controls and low liquid level electrical disconnects. Manual reset of required protection devices shall be provided.

Specific Finding: This amendment requires that over-temperature controls and low liquid level disconnects be provided to prevent fires from occurring when electrical immersion heaters are used in dip tanks, sinks, vats and similar operations. Fires can start if the liquid level in the tank becomes too hot or if the liquid level is too low. These operations are typically found in industrial buildings where flammable liquids and/or hazardous materials are used and stored. Fires involving these materials are generally more intense and require extensive fire suppression resources which would have to come from other municipalities. Response for resources outside of the City would be delayed due to the City of Morgan Hill's isolated geographic location potentially resulting in more extensive fire damage.

15.44.310 Portable Fueled Open-Flame Heating Appliances.

Section 1109.3.1 is added to read as follows:

1109.3.1 Portable Fueled Open-Flame Heating Appliances. Portable fueled open-flame heating devices shall be approved for use by the Chief.

15.44.320 Emergency Plans.

Section 1303.4.4 is added to read as follows:

1303.4.4 Cabinets. In large commercial, industrial or residential complexes the Chief may require the Emergency Plan and the HMMP to be in locked cabinets at an approved Location.

15.44.330 Protected aboveground tanks.

Section 5202.3.7.1 is amended to read as follows:

5202.3.7.1 Size. Primary tanks of protected aboveground tanks shall not exceed a 2,000 gallon individual or 6,000 gallon aggregate capacity. Tank installations having the maximum allowable aggregate capacity shall be separated from other installation of protected tanks not less than 100 feet.

Specific Finding: This amendment limits the size of aboveground flammable and combustible liquid tanks for dispensing fuel to 2,000 gallon individual and 6,000 gallon aggregate. The California Fire Code (CFC) allows 12,000 gallon individual and 48,000 gallon aggregate installations. If a fire is involved with the larger tank sizes allowed by the CFC, additional fire suppression resources beyond those available in the City would be needed to control fire exposure to the tank(s) or to extinguish a fire involving burning fuel. Additional fire suppression resources would have to come from other municipalities and would be delayed due to the City of Morgan Hill's isolated geographic location.

15.44.340 Refrigeration Systems.

Section 6301 is amended to read as follows:

SECTION 6301 - SCOPE

Refrigeration unit and system installations having a refrigerant circuit containing more than 220 pounds (100 kg) of Group A1 or 30 pounds (13.6 kg) of any other group refrigerant shall be in accordance with Article 63 and the Mechanical Code. See Appendix VI-J for refrigerant group descriptions. See also Sections 8001.1.2, 8001.16.7, and 8002.

EXCEPTION: The Chief is authorized to exempt temporary or portable installations.

15.44.350 Refrigeration Definitions.

Section 6303 is amended to read as follows:

SECTION 6303 – DEFINITIONS

For definitions of IMMEDIATELY DANGEROUS TO LIFE AND HEALTH (IDLH), LOWER FLAMMABILITY LIMIT (LFL), PERMISSIBLE EXPOSURE LIMIT (PEL) AND REFRIGERANT AND REFRIGERANT CIRCUIT, see Article 2. For refrigerant groups, see Appendix VI – J.

15.44.360 Battery System Ventilation.

Section 6404.6 is amended to read as follows:

6404.6 Ventilation. Ventilation shall be provided in accordance with the Mechanical Code and the following:

1. The ventilation system shall be designed to limit the maximum concentration of hydrogen to 1.0 percent of the total volume of the room in accordance with nationally recognized standards, or

2. Continuous ventilation shall be provided at a rate of not less than 1 cubic foot per minute per square foot (5.1 cubic meter per second per square meter) of floor area of the room.

3. Failure of the ventilation system shall initiate a local alarm and transmit a signal to a constantly attended station or automatically disengage the charging system.

Specific Finding: This amendment requires that an alarm for battery charging ventilation system failure be transmitted to a constantly attended location. If the ventilation system fails without such notification, a build up of hydrogen gas can occur and a resulting explosion could cause extensive damage which would overwhelm the local fire resources. Mutual aid resources would be delayed due to the City of Morgan Hill's isolated geographic location potentially resulting in additional damage from uncontrolled fires.

15.44.370 ~~**15.44.250 Section 7901.3.2 amended--**~~**Flammable and combustible liquids--Plans.**

Section 7901.3.2 is amended to read as follows:

7901.3.2 Plans. Plans shall be submitted with each application for a permit to store liquids outside of buildings in drums or tanks. The plans shall indicate the method of storage, quantities to be stored, distances from buildings and property lines, accessways, fire-protection facilities, and provisions for spill control and secondary containment.

Specific findings: The UFC permits up to five thousand gallons of flammable or combustible liquids to be stored without requiring plans for such a permit. This amendment requires plans for any amount of storage to help ensure that adequate fire safety and environmental protection are provided whenever such storage occurs. The specific findings of Section ***15.44.290*** ~~15.44.240~~ are hereby incorporated by reference.

15.44.380 ~~**15.44.260 Section 7901.13 added--**~~**Flammable and combustible liquids--Monitoring.**

Section ***7901.14*** ~~7901.13~~ is added to read as follows:

7901.14 ~~**7901.13**~~ **Monitoring**. Monitoring of flammable and combustible liquid storage/use systems shall be provided on a regular or continuous basis. The monitoring system and its frequency shall be included in the ***Hazardous Materials Management***

~~Business~~ Plan if otherwise required or shall be in writing for approval by the Chief. Monitoring methods may include but are not limited to the following;

1. Visual inspection~~, on weekly or more frequent basis. (requires trained personnel and documentation).~~ ***no less than monthly.***

2. Continuous leak detection and alarm system.

3. Any system which will provide continuous, reliable monitoring of the primary container(s) capable of alerting occupants to an alarm or trouble condition; all systems are subject to approval by the Chief.

Specific findings: The ***California Fire Code*** ~~UFC~~ does not require monitoring of flammable or combustible liquid storage tanks or systems where the quantity of such liquids is less than one thousand gallons. Leaks of vessels under one thousand gallons may go undetected indefinitely without a method of monitoring ***and a large, intense fire could occur from the leaked material. A flammable or combustible liquid fire involving several hundred gallons could quickly overwhelm local fire suppression resources. Outside mutual aid resources would be delayed due to the City of Morgan Hill's isolated geographic location resulting in more extensive damage from an uncontrolled fire.*** ~~Additionally, this amendment is necessary for consistency with the adopted hazardous materials storage ordinance which does require such monitoring.~~

15.44.390 ~~**15.44.270 Section 7901.14 added--**~~**Flammable and combustible liquids--Containment requirements.**

Section ***7901.15*** ~~7901.14~~ is added to read as follows:

7901.15 ~~**7901.14**~~ **Containment requirements**. A containment system shall be required for all flammable and combustible liquids. Construction shall be substantial, capable of safely and securely containing a sudden release without discharge. Design criteria shall be performance oriented and constructed of compatible materials to resist degradation and provide structural and functional integrity for a period of time reasonably necessary to ensure detection, mitigation, and repair of the primary system. The Chief may require outside containment areas to be covered with a roof or canopy for protection from the environment.

Specific findings: The ***California Fire Code*** ~~UFC~~ does not provide specific design criteria for secondary containment systems. This amendment specifies what the performance measures will be for containment design. ***If a leak from a flammable or combustible liquid tank or piping is not properly contained, the material could spread to other areas and, if ignited, involve other tanks and containers. Such a fire could quickly overwhelm local fire suppression resources. Outside mutual aid resources would be delayed due to the City of Morgan Hill's isolated geographic location resulting in more extensive damage from an uncontrolled fire.***

15.44.400 ~~**15.44.280 Section 7902.2.2.1 amended--**~~**Flammable and combustible liquids—*Tank* Locations.** ~~**where aboveground tanks are prohibited**~~

Section 7902.2.2.1 is amended to read as follows:

7902.2.2.1 Locations where above ground tanks are prohibited. The storage of ~~Class I, II and III-A~~ **flammable or combustible** liquids in aboveground tanks outside of buildings is ~~permitted only in locations not prohibited by this ordinance, or as otherwise approved by the Chief, and shall be installed as follows:~~ **prohibited within the limits established by law as the limits of districts in which such storage is prohibited.**

Exceptions: 1. Double wall steel aboveground tanks may be used for the storage of diesel **fuel** ~~Class II liquids, including integral diesel fuel storage tanks~~ for generators or fire pumps **where approved by the chief.** ~~which are~~ **The tanks shall be** listed and limited to ~~an individual or aggregate~~ **a** capacity of 660 gallons. Such tanks shall be located a minimum of ten (10) feet from any building **or property line of a property which is or can be built upon, unless protected by a two (2) hour fire resistive wall, without openings, that extends not less than 30 inches above and to the sides of the tank.** ~~and a minimum of twenty (20) feet from a property line which is or can be built upon.~~

2. Protected aboveground storage tanks may be used **for storing** ~~to store~~ diesel fuel ~~used to~~ **for** power generators or fire pumps **where approved by the chief. Such tanks shall not exceed 4,000 gallons individual capacity and 16,000 gallons aggregate capacity. Tanks with capacities of 661 – 4,000 gallons shall be located a minimum of ten (10) feet from any building and fifteen (15) feet from a property line of a property which is or can be built upon, unless protected by a two (2) hour fire resistive wall, without openings, that extends not less than 30 inches above and to the sides of the tank.** ~~which do not exceed 4,000 gallons individual capacity or 16,000 gallon aggregate capacity. Such tanks shall be designed and installed in accordance with Appendix II-F as amended.~~

3. **When approved by the fire chief, aboveground storage tanks may be used for dispensing fuel for motor vehicles. Such tanks shall be installed and maintained in accordance with Article 52.** ~~The storage of class I and II liquids in protected aboveground storage tanks used for dispensing fuel for motor vehicles when such tanks are approved by the Fire Chief, and are installed and maintained in accordance with Article 79 and Appendix II-F as amended.~~

~~Specific findings: The UFC allows local jurisdictions to determine and specify in which portions of the city, if any, the aboveground storage of flammable or combustible liquids will be allowed. Although such aboveground storage is generally prohibited in commercially zoned areas, this amendment provides for limited amounts of such storage in specific tanks for specific needs. As an example, this amendment will allow the storage of diesel fuel for emergency generators which, in recent years, has been deemed highly~~

~~desirable by high-tech companies to ensure production and/or services will not be impacted by power failures.~~

Specific Finding: This amendment will allow limited amounts of aboveground storage of flammable and combustible liquids for specific needs such as the storage of diesel fuel for emergency generators. (Generators have been deemed highly desirable by many companies to ensure production and/or services will not be impacted by power failures.) However, the amount and methods of storage must be regulated to maintain fire safety. If a fire is involved with large or improperly located tanks, fire suppression resources beyond those available in the City would be needed to control fire exposure to the tank(s) or to extinguish a fire involving burning fuel. Mutual aid fire suppression resources would have to come from other municipalities and would be delayed due to the City of Morgan Hill's isolated geographic location which could potentially cause more extensive fire damage.

Specific Finding: The California Fire Code (CFC) historically contained minimal requirements for hazardous materials and toxic gases. These materials are common in commercial research, development and manufacturing companies throughout Santa Clara County. As a result, the City of Morgan Hill (and many other cities in the County) adopted a Hazardous Materials Storage Ordinance and Toxic Gas Ordinance to safely regulate these materials. During the last several years, the CFC has significantly improved in the regulation of hazardous materials and toxic gases, however, there are inconsistencies between the existing Hazardous Materials/Toxic Gas provisions in the City's Municipal Code and the 2001 CFC with respect to regulating these materials.

The following amendments modify the hazardous materials and toxic gas provisions of Article 80 of the CFC to be consistent with those found in the City's Municipal Code. The amendments are considered to be reasonably necessary to prevent or contain hazardous materials and/or toxic gas related emergency events so as not to exceed the response capabilities of the fire department. The City of Morgan Hill is geographically isolated from neighboring municipalities, therefore, any response of mutual aid fire resources would be extended which could adversely affect the outcome of the event.

15.44.410 Hazardous Materials Permits.

Section 8001.3.2 is amended to read as follows:

8001.3.2 Hazardous materials management plan. When required by the Chief, each application for a permit shall include a hazardous materials management plan (HMMP). The location of the HMMP shall be posted adjacent to permits when an HMMP is provided. The HMMP shall include a facility site plan designating the following:

1. Storage and use areas,

2. Maximum amount of each material stored or used in each area,

3. Range of container sizes,

4. Locations of emergency isolation and mitigation valves and devices,

5. Product conveying piping containing liquids or gases, other than utility-owned fuel gas lines and low-pressure fuel gas lines,

6. On and off positions of valves for valves which are of the self-indicating type, and

7. Storage plan showing the intended storage arrangement, including the location and dimensions of aisles.

The plans shall be legible and approximately to scale. Separate distribution systems are allowed to be shown on separate pages. The applicant may use a copy of an up to date Hazardous Materials Management Plan, which has been approved under Health and Safety Code, Chapter 6.95, Sections 25500 through 25545, and the regulations adopted there under, to satisfy the requirements for an HMMP.

15.44.420Hazardous Materials Inventory Statement .

Section 8001.3.3 is amended to read as follows:

8001.3.3 Hazardous materials inventory statement. When required by the Chief, owners or operators of storage/use facilities shall submit a hazardous materials inventory statement (HMIS). The HMIS shall include the information required for a hazardous materials inventory statement prepared under Health and Safety Code, Chapter 6.95, Sections 25500 through 25545, and Title 19, Division 2, Chapter 3. A hazardous materials/waste registration form may be submitted for materials below the threshold limit of Chapter 6.95, Sections 25500 through 25545, and Title 19, Division 2, Chapter 3.

15.44.430 Systems, Equipment and Processes – Design and Construction.

Section 8001.4.3.2 is amended to read as follows:

8001.4.3.2 Design and construction. Piping, tubing, valves, fittings and related components used for hazardous materials shall be in accordance with the following:

1. Piping, tubing, valves, fittings and related components shall be designed and fabricated from materials compatible with the material to be contained and shall be of adequate strength and durability to withstand the pressure, structural and seismic stress, and exposure to which they are subject,

2. Piping and tubing shall be identified in accordance with nationally recognized standards (see Article 90, Standard a.2.1) to indicate the material conveyed,

3. Emergency shutoff valves shall be identified and the location shall be clearly visible and indicated by means of a sign, and

4. Backflow-prevention or check valves shall be provided when the backflow of hazardous materials could create a hazardous condition or cause the unauthorized discharge of hazardous materials.

5. Secondary containment or equivalent protection from spills shall be provided for piping for liquid hazardous materials and for highly toxic and toxic corrosive gases above permitted amounts. Secondary containment includes, but is not limited to double walled piping.

EXCEPTIONS: Secondary containment is not required for toxic corrosive gases if the piping is constructed of inert materials, or for piping under sub-atmospheric conditions if the piping is equipped with an alarm and fail-safe-to-close valve activated by a loss of vacuum.

6. Piping and tubing used for the transmission of toxic gases shall have welded connections throughout unless an exhausted enclosure is provided.

7. Expansion chambers shall be provided between valves whenever the regulated gas may be subjected to thermal expansion. Chambers shall be sized to provide protection for piping and instrumentation and to accommodate the expansion of regulated materials.

15.44.440 Piping for Health Hazard Materials.

Section 8001.4.3.3 is amended to read as follows:

8001.4.3.3 Additional regulations for piping for health hazard materials. Supply piping and tubing for gases and liquids having a health hazard ranking of 3 or 4 in accordance with UFC Standard 79-3 shall also be in accordance with the following:

1. Piping and tubing utilized for the transmission of highly toxic or toxic material shall have welded or brazed connections throughout unless an exhausted enclosure is provided if the material is a gas, or the piping is provided with a receptor for containment if the material is a liquid,

2. Piping and tubing shall not be located within corridors, within any portion of a means of egress required to be enclosed in fire-resistive construction or in concealed spaces in areas not classified as Group H Occupancies,

EXCEPTION: Piping and tubing within the space defined by the walls of corridors and floor or roof above or in concealed space above other occupancies when

installed in accordance with the Building Code as required for semi-conductor fabrication facilities classified as Group H Occupancies.

3. Where gases or liquids are carried in pressurized piping above 15 psig (103.4 kPa), excess flow control shall be provided. Where the piping originates from within a hazardous material storage room or area, the excess flow control shall be located within the storage room or area. Where the piping originates from a bulk source, the excess flow control shall be located as close to the bulk source as practical, and

4. Readily accessible manual or automatic remotely activated fail-safe emergency shutoff valves shall be installed on supply piping and tubing at the following locations:
4.1 The point of use, and
4.2 The tank, cylinder or bulk source.

15.44.450 Release of Hazardous Materials.

Section 8001.5.2.2 is amended to read as follows:

8001.5.2.2 Notification. The Chief shall be notified immediately when a release or an unauthorized discharge escapes containment or is contained but presents a threat to health or property or becomes reportable under state, federal or local regulations.

15.44.460 Identification signs.

Section 8001.7 is amended to read as follows:

8001.7 Identification Signs. Visible hazard identification signs as specified in UFC Standard 79-3 shall be placed on stationary aboveground tanks and at entrances to locations where hazardous materials are stored, dispensed, used or handled in quantities requiring a permit. Signs shall be provided at specific entrances and locations designated by the Chief.

EXCEPTION: The Chief may waive this requirement in special cases when consistent with safety if the owner or operator has submitted a hazardous materials management plan and hazardous materials inventory statement. See Sections 8001.3.2 and 8001.3.3.

Individual containers, cartons or packages shall be conspicuously marked or labeled in accordance with nationally recognized standards.

Hazardous materials shall be identified, at a minimum, with legible, readily visible labels in contrasting colors that clearly identify the material by generic chemical name(s), percentage concentration(s), and hazard class(es). Such labels shall be legible from a relatively safe distance dependent upon volume and use.

Rooms or cabinets containing compressed gases shall be conspicuously labeled COMPRESSED GAS.

Signs shall not be obscured or removed. Signs shall be in English as a primary language or in symbols allowed by this code. Signs shall be durable. The size, color and lettering shall be in accordance with nationally recognized standards.

15.44.470 Ventilation Ducting Labeling.

Section 8001.7.1 is added to read as follows:

8001.7.1 Ventilation ducting. Product conveying ducts for venting hazardous materials operations shall be labeled with the hazard class of the material being vented and the direction of flow.

15.44.480 Piping and Tubing Labeling.

Section 8001.7.2 is added to read as follows:

8001.7.2 "H" occupancies. In "H" occupancies, all piping and tubing may be required to be identified when there is any possibility of confusion with hazardous materials transport tubing or piping. Flow direction indicators are required.

15.44.490 Separation of Incompatible Materials.

Section 8001.11.8 is amended to read as follows:

8001.11.8 Separation of incompatible materials. Incompatible materials in storage and storage of materials incompatible with materials in use shall be separated. Separation shall be accomplished by:

1. Segregating incompatible materials storage by a distance of not less than 20 feet (6096 mm),

2. Isolating incompatible materials storage by a noncombustible partition extending not less than 18 inches (457.2 mm) above and to the sides of the stored material,

3. Storing liquid and solid materials in hazardous materials storage cabinets (see Section 8001.3.2), or

4. Storing compressed gases in gas cabinets or exhausted enclosures in accordance with Sections 8003.3.1.3.2 and 8003.3.1.3.3.

Materials which are incompatible shall not be stored within the same cabinet or exhausted enclosure.

15.44.500 Monitoring of Hazardous Materials.

Section 8001.11.10 is added to read as follows:

8001.11.10 Monitoring. Monitoring of storage/use systems of liquid and solid hazardous materials shall be provided on a regular or continuous basis. The monitoring system and its frequency shall be included in the Business Plan if otherwise required or shall be in writing for approval by the Chief. Monitoring methods may include but are not limited to the following;

1. Visual inspection, no less than monthly.

2. Continuous leak detection and alarm system.

3. Any system which will provide continuous, reliable monitoring of the primary container(s) capable of alerting occupants to an alarm or trouble condition; all systems are subject to approval by the Chief.

15.44.510 Secondary Containment Requirements.

Section 8001.11.11 is added to read as follows:

8001.11.11 Secondary containment requirements. A containment system shall be required for all hazardous materials which are liquids or solids at normal temperature and pressure (NTP). Construction shall be substantial, capable of safely and securely containing a sudden release without discharge. Design criteria shall be performance oriented and constructed of compatible materials to resist degradation and provide structural and functional integrity for a period of time reasonably necessary to ensure detection, mitigation, and repair of the primary system. The Chief may require outside containment areas to be covered with a roof or canopy for protection from the environment.

15.44.520 Storage/Use System Closure.

Section 8001.13 is amended to read as follows:

8001.13 Facility and Storage/Use System Closure.

15.44.530 Temporarily Out-of-Service Facilities.

Section 8001.13.1 is amended to read as follows:

8001.13.1 Temporarily out-of-service facilities and storage/use systems. Facilities which are temporarily out of service shall continue to maintain a permit and be monitored and inspected.

15.44.540 Permanently Out-of-Service Facilities.

Section 8001.13.2 is amended to read as follows:

8001.13.2 Permanently out-of-service facilities and storage/use systems. Facilities for which a permit is not kept current or is not monitored and inspected on a regular basis shall be deemed to be permanently out of service and shall be closed in accordance with Section 8001.13.3.

15.44.550 Storage Termination Plan.

Section 8001.13.3 is amended to read as follows:

8001.13.3 Plan. The permit holder or applicant shall submit a plan to the fire department to terminate storage, dispensing, handling or use of hazardous materials at least 30 days prior to facility or storage/use system closure. The plan shall demonstrate that hazardous materials, which were stored, dispensed, handled or used in the facility, have been transported, disposed of or reused in a manner that eliminates the need for further maintenance and any threat to public health and safety. Such plan shall be submitted in accordance with Section 8001.3.1.

15.44.560 Highly Toxic Gases.

Section 8001.16.5 is added to read as follows:

8001.16.5 Highly Toxic Gases.

15.44.570 Highly Toxic Gas – Storage Indoors.

Section 8001.16.5.1 is added to read as follows:

8001.16.5.1 Indoor storage. Indoor storage of any amount of highly toxic gases shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.5, 8001.16.6, 8001.16.7, 8003.3.1, and 8003.3.3.

15.44.580 Highly Toxic Gas – Storage Outdoors.

Section 8001.16.5.2 is added to read as follows:

8001.16.5.2 Outdoor storage. Outdoor storage of any amount of highly toxic gases shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.5, 8001.16.6, 8001.16.7, 8003.3.2, and 8003.3.3.

15.44.590 Highly Toxic Gas – Use and Handling.

Section 8001.16.5.3 is added to read as follows:

8001.16.5.3 Indoor use and handling. Indoor use and handling of any amount of highly toxic gases shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.5, 8001.16.6, 8001.16.7, 8004.1, 8004.2.3.7.1 – 8004.2.3.7.6, and 8004.4.3.

15.44.600 Highly Toxic Gas – Shut-Off Valves.

Section 8001.16.5.3.1 is added to read as follows:

8001.16.5.3.1 Automatic shut-off-valve. An automatic valve which is of a fail safe to close design shall be provided to shut off the supply of highly toxic gases for any of the following:

1. ***Activation of a fire alarm system.***
2. ***Activation of the gas detection system.***
3. ***Failure of emergency power.***
4. ***Failure of primary containment.***
5. ***Seismic activity.***
6. ***Failure of required exhaust flow ventilation.***

15.44.610 Highly Toxic Gas – Emergency Control Station Signals.

Section 8001.16.5.3.2 is added to read as follows:

8001.16.5.3.2 Emergency control station. Signals from emergency equipment used for highly toxic gases shall be transmitted to an emergency control station which is continually staffed by trained personnel.

15.44.620 Highly Toxic Gas – Outdoor Use.

Section 8001.16.5.4 is added to read as follows:

8001.16.5.4 Outdoor use. Outdoor use of any amount of highly toxic gases shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.5, 8001.16.6, 8001.16.7, 8004.1, and 8004.3.5

15.44.630 Toxic and Highly Toxic Gases.

Section 8001.16.6 is added to read as follows:

8001.16.6 Toxic Gases Including Highly Toxic Gases.

15.44.640 Toxic Gases – Indoor Storage.

Section 8001.16.6.1 is added to read as follows:

8001.16.6.1 Indoor storage. Indoor storage of toxic gases in quantities exceeding 10 cu. ft. per control area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.6, 8001.16.7, 8003.3.1, and 8003.3.3.

15.44.650 Toxic Gases – Outdoor Storage.

Section 8001.16.6.2 is added to read as follows:

8001.16.6.2 Outdoor storage. Outdoor storage of toxic gases in amounts exceeding 10 cu. ft. per outdoor control area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.6, 8001.16.7, 8003.3.2, and 8003.3.3.

15.44.660 Toxic Gases – Indoor Use and Handling.

Section 8001.16.6.3 is added to read as follows:

8001.16.6.3 Indoor use and handling. Indoor use and handling of toxic gases in amounts exceeding 10 cu. ft. per control area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.6, 8001.16.7, 8004.1, 8004.2.3.7.1 – 8004.2.3.7.6, and 8004.4.3.

15.44.670 Toxic Gases – Seismic Shut-Off Valve.

Section 8001.16.6.3.1 is added to read as follows:

8001.16.6.3.1 Seismic shutoff valve. An automatic valve, which is of a fail safe to close design, shall be provided to shutoff the supply of gases.

15.44.680 Toxic Gases – Outdoor Use.

Section 8001.16.6.4 is added to read as follows:

8001.16.6.4 Outdoor use. Outdoor use of toxic gases in amounts exceeding 10 cu. ft. per outdoor control area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.6, 8001.16.7, 8004.1, and 8004.3.5.

15.44.690 Toxic Gases – Maximum Threshold Quantity.

Section 8001.16.6.5 is added to read as follows:

8001.16.6.5 Maximum threshold quantity. Toxic gases stored or used in quantities exceeding 500,000 cu. ft. in a single vessel per control area or outdoor control area shall comply with the additional requirements for highly toxic gases of Section 8001.16.5 of this code.

15.44.700 Moderately Toxic Gases.

Section 8001.16.6.7 is added to read as follows:

8001.16.6.7 Moderately Toxic Gases Including Those Used as Refrigerants, Toxic Gases and Highly Toxic Gases.

15.44.710 Moderately Toxic Gases – Indoor Storage.

Section 8001.16.7.1 is added to read as follows:

8001.16.7.1 Indoor storage. Indoor storage of moderately toxic gases in excess of 20 cu. ft. per area shall be bounded by a one-hour fire-resistive occupancy separation

and shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.7, 8003.3.1.2, 8003.3.1.3, and 8003.3.3.

15.44.720 Moderately Toxic Gases – Cylinder Leak Testing.

Section 8001.16.7.1.1 is added to read as follows:

8001.16.7.1.1 Cylinder leak testing. Cylinders shall be tested for leaks immediately upon delivery and again immediately prior to departure. Testing shall be approved by the Chief in accordance with appropriate nationally recognized industry standards and practices, if any. Appropriate remedial action shall be immediately undertaken when leaks are detected.

15.44.730 Moderately Toxic Gases –Outdoor Storage.

Section 8001.16.7.2 is added to read as follows:

8001.16.7.2 Outdoor storage. Outdoor storage of moderately toxic gases in excess of 20 cu. ft. per outdoor area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.7, 8003.3.2, and 8003.3.3.

15.44.740 Moderately Toxic Gases – Indoor Use.

Section 8001.16.7.3 is added to read as follows:

8001.16.7.3 Indoor use. Indoor use and handling of moderately toxic gases in excess of 20 cu. ft. per area shall be bounded by a one-hour fire-resistive occupancy separation and shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.7, 8004.1, and 8004.2.3.7.1 – 8004.2.3.7.5.

15.44.750 Moderately Toxic Gases – Purge System.

Section 8001.16.7.3.1 is added to read as follows:

8001.16.7.3.1 Inert gas purge system. Gas systems shall be provided with dedicated inert gas purge systems. A dedicated inert gas purge system may be used to purge more than one gas, provided the gases are compatible. Purge gas systems shall be located in an approved gas cabinet unless the system operates by vacuum demand or a check valve is supplied for the piping within the gas cabinet.

15.44.760 Moderately Toxic Gases – Outdoor Use.

Section 8001.16.7.4 is added to read as follows:

8001.16.7.4 Outdoor use. Outdoor use of moderately toxic gases in excess of 20 cu. ft. per outdoor area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.7, and 8004.3.5.

15.44.770 Moderately Toxic Gases – Compliance with Toxic Gas Requirements.

Section 8001.16.7.5 is added to read as follows:

8001.16.7.5 Moderately toxic gases with a LC50 equal to or less than 3000 parts per million. Notwithstanding the hazard class definition in Section 214-M, moderately toxic gases with an LC50 less than 3000 parts per million shall additionally comply with the requirements for toxic gases in Section 8001.16.6 of this code.

15.44.780 Moderately Toxic Gases – Maximum Threshold Quantity.

Section 8001.16.7.6 is added to read as follows:

8001.16.7.6 Maximum threshold quantity. Moderately toxic gases stored or used in quantities exceeding 500,000 cu. ft. in a single vessel in an indoor or outdoor use area shall comply with the additional requirements for toxic gases of Section 8001.16.6 of this code.

Moderately toxic gases stored or used in quantities exceeding 1,000,000 cu. ft. in a single vessel per area bounded by no less than a one-hour fire resistive occupancy separation or outdoor use area shall also comply with the additional requirements for highly toxic gases of Sections 8001.4.3.3, 8001.16.5, and 8001.16.6 of this code.

15.44.790 Fire Protection for Workstations and Exhaust Ducts.

Section 8001.17 is added to read as follows:

8001.17 Fire Protection for Workstations and Exhaust Ducts

15.44.800 Fire Protection for Workstations.

Section 8001.17.1 is added to read as follows:

8001.17.1 Fire Protection Systems for Workstations. When the building is protected by an automatic fire protection system, an approved fire protection system

shall be provided for all workstations where hazardous materials are dispensed, stored or used. An automatic fire sprinkler head shall be installed within each branch exhaust connection or within individual plenums of workstations of combustible construction. The automatic fire sprinkler system head in the exhaust connection or plenum shall be located not more than 2 feet (610 mm) from the point of the duct connection or the connection to the plenum. When necessary to prevent corrosion, the automatic fire sprinkler head and connecting piping in the duct shall be coated with approved or listed corrosion-resistant materials. The automatic fire sprinkler system head shall be accessible for periodic inspection.

EXCEPTIONS:

1. Approved alternate automatic fire-extinguishing systems are allowed. Activation of such systems shall deactivate the related processing equipment.

2. Process equipment, which operates at temperatures exceeding 932 degrees F (500 degrees C) and which is provided with automatic shutdown capabilities for hazardous materials.

3. Exhaust ducts less than 10 inches (254 mm) in diameter.

15.44.810 Hazardous Materials – Storage In Excess of Exempt Amounts.

Section 8003.1.1 is amended to read as follows:

8003.1.1 Applicability. Storage of hazardous materials where the aggregate quantity is in excess of the exempt amounts set forth in Section 8001.15 shall be in accordance with Sections 8001 and 8003. Storage of hazardous materials where the aggregate quantity does not exceed the exempt amounts set forth in Section 8001.15 shall be in accordance with Section 8001. For highly toxic, toxic, and moderately toxic gases, see also Sections 8001.16 and 8003.3. For display and storage in retail and wholesale sales occupancies, see Section 8001.14.

15.44.820 Hazardous Materials – Spill Control for Liquids.

Section 8003.1.3.2 is amended to read as follows:

8003.1.3.2 Spill control for hazardous materials liquids. Rooms, buildings or areas used for the storage of hazardous materials liquids shall be provided with spill control to prevent the flow of liquids to adjoining areas. Floors in indoor locations and similar surfaces in outdoor locations shall be constructed to contain a spill from the largest single vessel by one of the following methods:

1. Liquid-tight sloped or recessed floors in indoor locations or similar areas in outdoor locations,

2. Liquid-tight floors in indoor locations or similar areas in outdoor locations provided with liquid-tight raised or recessed sills or dikes, or

3. Sumps and collection systems.

Except for surfacing, the floors, sills, dikes, sumps and collection systems shall be constructed of noncombustible material, and the liquid-tight seal shall be compatible with the material stored. When liquid-tight sills or dikes are provided, they are not required at perimeter openings, which are provided with an open-grate trench across the opening that connects to an approved collection system.

15.44.830 Hazardous Materials – Secondary Containment for Liquids and Solids.

Section 8003.1.3.3 is amended to read as follows:

8003.1.3.3 Secondary containment for hazardous materials liquids and solids. Buildings, rooms or areas used for the storage of hazardous materials liquids or solids shall be provided with secondary containment in accordance with this section.

The building, room or area shall contain or drain the hazardous materials and fire-protection water through the use of one of the following methods:

1. Liquid-tight sloped or recessed floors in indoor locations or similar areas in outdoor locations,

2. Liquid-tight floors in indoor locations or similar areas in outdoor locations provided with liquid-tight raised or recessed sills or dikes,

3. Sumps and collection systems, or

4. Drainage systems leading to an approved location.
Incompatible materials shall be separated from each other in the secondary containment system.

Secondary containment for indoor storage areas shall be designed to contain a spill from the largest vessel plus the design flow volume of fire-protection water calculated to discharge from the fire-extinguishing system over the minimum required system design area or area of the room or area in which the storage is located, whichever is smaller, for a period of 20 minutes.

Secondary containment for outdoor storage areas shall be designed to contain a spill from the largest individual vessel. If the area is open to rainfall, secondary

containment shall be designed to include the volume of a 24-hour rainfall as determined by a 25-year storm and provisions shall be made to drain accumulations of groundwater and rainwater.

A monitoring method shall be provided to detect hazardous materials in the secondary containment system. The monitoring method is allowed to be visual inspection of the primary or secondary containment, or other approved means. Where secondary containment is subject to the intrusion of water, a monitoring method for detecting water shall be provided. When monitoring devices are provided, they shall be connected to distinct visual or audible alarms.

Drainage systems shall be in accordance with the Plumbing Code and the following:

1. The slope of floors in indoor locations or similar areas in outdoor locations to drains shall not be less than 1 percent,

2. Drains from indoor storage areas shall be sized to carry the volume of the fire-protection water as determined by the design density discharged from the automatic fire-extinguishing system over the minimum required system design area or area of the room or area in which the storage is located, whichever is smaller,

3. Drains from outdoor storage areas shall be sized to carry the volume of the fire flow and the volume of a 24-hour rainfall as determined by a 25-year storm,

4. Materials of construction for drainage systems shall be compatible with the materials stored,

5. Incompatible materials shall be separated from each other in the drainage system, and

6. Drains shall terminate in an approved location away from buildings, valves, means of egress, fire access roadways, adjoining property and storm drains.

15.44.840 TABLE 8003.1-A – REQUIRED SECONDARY CONTAINMENT - HAZARDOUS MATERIALS SOLIDS AND LIQUIDS STORAGE.

Table 8003.1-A is amended to read as follows:

Table 8003.1-A is deleted

15.44.850 Toxic and Highly Toxic Compressed Gases – Indoor Storage.

Section 8003.3.1.1 is amended to read as follows:

8003.3.1.1 General. Indoor storage of toxic gases exceeding 10 cu. ft. per control area and any amount of highly toxic compressed gases shall be in accordance with Sections 8001.16.5, 8001.16.6, 8001.16.7, 8003.3.1 and 8003.3.3.

Indoor storage of moderately toxic gases in excess of 20 cu. ft. per area bounded by no less than a one-hour fire-resistive occupancy separation shall be in accordance with Sections 8001.16.7, 8003.3.1.2, 8003.3.1.3, and 8003.3.3.

Indoor storage of toxic and highly toxic compressed gases in amounts exceeding the exempt amounts set forth in Section 8001.15 shall be in accordance with Sections 8001.16.5, 8001.16.6, 8001.16.7, 8003.1, 8003.3.1 and 8003.3.3.

15.44.860 Toxic and Highly Toxic Compressed Gases – Treatment Systems.

Section 8003.3.1.3.5.1 is amended to read as follows:

8003.3.1.3.5.1 General. Treatment systems shall be utilized to handle the accidental release of gas. Treatment systems shall be utilized to process all exhaust ventilation to be discharged from gas cabinets, exhausted enclosures and gas rooms.

15.44.870 Toxic and Highly Toxic Compressed Gases – Outdoor Storage.

Section 8003.3.2.1 is amended to read as follows:

8003.3.2.1 General. Outdoor storage of toxic gases exceeding 10 cu. ft. per control area and any amount of highly toxic compressed gases shall be in accordance with Sections 8001.16.5, 8001.16.6, 8001.16.7, 8003.3.2, and 8003.3.3.

Outdoor storage of moderately toxic gases in excess of 20 cu. ft. per outdoor area shall be in accordance with Sections 8001.1 - 8001.15, 8001.16.7, 8003.3.2 and 8003.3.3.

Outdoor storage of highly toxic or toxic compressed gases in amounts exceeding the exempt amounts set forth in Section 8001.15 shall be in accordance with Sections 8001.16.5, 8001.16.6, 8001.16.7, 8003.1, 8003.3.2 and 8003.3.3.

15.44.880 Toxic and Highly Toxic Compressed Gases – Outdoor Storage Distances to Exposures.

Section 8003.3.2.2.1 is amended to read as follows:

8003.3.2.2.1 General. Outdoor storage of highly toxic or toxic compressed gases exceeding the exempt amounts set forth in Section 8001.15 shall comply with the Building Code and Section 8003.3.2.2.

15.44.890 Hazardous Materials – Use Dispensing and Handling

Section 8004.1.1 is amended to read as follows:

8004.1.1 Applicability. Use, dispensing and handling of hazardous materials where the aggregate quantity is in excess of the exempt amounts set forth in Section 8001.15 shall be in accordance with Sections 8001 and 8004.

EXCEPTIONS:

1. For stationary lead-acid battery systems used for standby power, emergency power or uninterrupted power supply, see Article 64.

2. Application of pesticide products registered with the United States Environmental Protection Agency.

Use, dispensing and handling of hazardous materials where the aggregate quantity does not exceed the exempt amounts set forth in Section 8001.15 shall be in accordance with Sections 8001.

Use, dispensing and handling of toxic gases exceeding 10 cu. ft. per control area and any amount of highly toxic compressed gases shall additionally be in accordance with sections 8004.1.6, 8004.1.7, 8004.1.8, 8004.1.10, 8004.1.11, 8004.2.3.7.1 – 8004.2.3.7.6, 8004.3.5 and 8004.4.3 except as otherwise noted.

Use, dispensing and handling of moderately toxic gases exceeding 20 cu. ft. per area bounded by no less than a one-hour fire-resistive occupancy separation or 20 cu. ft. per outdoor area gases shall additionally be in accordance with sections 8004.1.8, 8004.10, and 8004.2.3.7.1 – 8004.2.3.7.5 and 8004.3.5, except as otherwise noted.

For highly toxic, toxic, moderately toxic, flammable, oxidizing and pyrophoric gases, see also Section 8001.16. For requirements pertaining to oxidizing cryogenic fluids, see UFC Standard 80-2. For requirements pertaining to flammable cryogenic fluids, see UFC Standard 80-3. For requirements pertaining to inert cryogenic fluids, see UFC Standard 80-4.

15.44.900 Hazardous Materials Liquids Indoor Dispensing and Use In Open Systems – Spill Control.

Section 8004.2.2.5.1 is amended to read as follows:

8004.2.2.5.1 Spill control for hazardous materials liquids. Buildings, rooms or areas where hazardous materials liquids are dispensed into vessels or used in open systems shall be provided with spill control in accordance with Section 8003.1.3.2.

15.44.910 Hazardous Materials Liquids Indoor Dispensing and Use In Open Systems – Secondary Containment.

Section 8004.2.2.5.2 is amended to read as follows:

8004.2.2.5.2 Secondary containment for hazardous materials liquids. Buildings, rooms or areas where hazardous materials liquids are dispensed or used in open systems shall be provided with secondary containment in accordance with Section 8003.1.3.3.

15.44.920 Hazardous Materials Liquids Indoor Dispensing and Use – Spill Control.

Section 8004.2.3.6.1 is amended to read as follows:

8004.2.3.6.1 Spill control for hazardous materials liquids. Buildings, rooms or areas where hazardous materials liquids are used shall be provided with spill control in accordance with Section 8003.1.3.2.

15.44.930 Hazardous Materials Liquids Indoor Dispensing and Use – Secondary Containment.

Section 8004.2.3.6.2 is amended to read as follows:

8004.2.3.6.2 Secondary containment for hazardous materials liquids. Buildings, rooms or areas where hazardous materials liquids are used in vessels or systems shall be provided with secondary containment in accordance with Section 8003.1.3.3.

15.44.940 Hazardous Materials Outdoor Dispensing and Use – Quantities Not Exceeding Exempt Amounts.

Section 8004.3.1.2 is amended to read as follows:

8004.3.1.2 Quantities not exceeding exempt amounts. Outdoor dispensing or use of hazardous materials where the aggregate quantity does not exceed the exempt amounts specified in Tables 8001.15-C and 8001.15-D are not required to be in accordance with Section 8004 except as provided in Section 8004.3.

Outdoor dispensing or use of moderately toxic gases exceeding 20 cu. ft. per outdoor area, toxic gases exceeding 10 cu. ft. per control area and any amount of highly toxic compressed gases shall be in accordance with Sections 8001.16.5, 8001.16.6, 8001.16.7, and 8004.3.5 except as otherwise noted.

15.44.950 Hazardous Materials Liquids Outdoor Dispensing and Use – Spill Control for Open Systems.

Section 8004.3.3.1.1 is amended to read as follows:

8004.3.3.1.1 Spill control for hazardous materials liquids. Outdoor areas where hazardous materials liquids are dispensed or used in open systems shall be provided with spill control in accordance with Section 8003.1.3.2.

15.44.960 Hazardous Materials Liquids Outdoor Dispensing and Use – Secondary Containment for Open Systems.

Section 8004.3.3.1.2 is amended to read as follows:

8004.3.3.1.2 Secondary containment for hazardous materials liquids. Outdoor areas where hazardous materials liquids are dispensed or used in open systems shall be provided with secondary containment in accordance with Section 8003.1.3.3.

15.44.970 Hazardous Materials Liquids Outdoor Dispensing and Use – Spill Control for Closed Systems.

Section 8004.3.3.2.1 is amended to read as follows:

8004.3.3.2.1 Spill control for hazardous materials liquids. Outdoor areas where hazardous materials liquids are used in closed systems shall be provided with spill control in accordance with Section 8003.1.3.2.

15.44.980 Hazardous Materials Liquids Outdoor Dispensing and Use – Secondary Containment for Closed Systems.

Section 8004.3.3.2.2 is amended to read as follows:

8004.3.3.2.2 Secondary containment for hazardous materials liquids. Outdoor areas where hazardous materials liquids are dispensed or used in closed systems shall be provided with secondary containment in accordance with Section 8003.1.3.3.

15.44.990 Special Requirements for Moderately Toxic, Toxic and Highly Toxic Compressed Gases.

Section 8004.3.5 is amended to read as follows:

8004.3.5 Special requirements for moderately toxic, toxic and highly compressed gases.

15.44.1000 Special Requirements for Moderately Toxic, Toxic and Highly Toxic Compressed Gases – Treatment systems.

Section 8004.3.5.4 is amended to read as follows:

8004.3.5.4 Treatment systems. Treatment systems shall be provided in accordance with Section 8003.3.1.3.5.

EXCEPTION: Moderately toxic, toxic, and highly toxic gases where the aggregate quantity does not exceed the exempt amounts set forth in Tables 8001-15C and 8001-15D.

15.44.1010 Hazardous Materials Handling.

Section 8004.4.3 is amended to read as follows:

8004.4.3 Emergency alarm. When hazardous materials having a hazard ranking of 3 or 4 in accordance with UFC Standard 79-3, toxic gases exceeding 10 cu. ft. per control area and any amount of highly toxic compressed gases are transported through corridors or exit enclosures, there shall be an emergency telephone system, a local manual alarm station or an approved alarm-initiating device at not more than 150-foot (45 720 mm) intervals and at each exit and exit-access doorway throughout the transport route. The signal shall be relayed to an approved central, proprietary or remote station service or constantly attended on-site location and shall also initiate a local audible alarm.

15.44.1020 TABLE 8004.2-A – REQUIRED SECONDARY CONTAINMENT - HAZARDOUS MATERIALS SOLIDS AND LIQUIDS USE.

Table 8004.2-A is amended to read as follows:

Table 8004.2-A is deleted

15.44.1030 ~~15.44.290 Section 8202.1 amended~~--Liquefied petroleum gases--Permits and plans.

Section 8202.1, third paragraph, is amended to read as follows:

8202.1 Permits and plans. Where a single container is over 125 gallons water capacity or the aggregate capacity of containers is over 125 gallons water capacity, the installer shall submit plans for such installations.

Specific findings: For the storage of LPG, the UFC requires a permit for a container of over one hundred twenty-five (125) gallons water capacity, however, the UFC doesn't require the submission of plans unless a single container is over two thousand (2000) gallons or the aggregate of all containers is in excess of four thousand (4000) gallons. This amendment requires installation plans for any tank or container that is required to be permitted. Plans will help ensure adequate compliance with fire safety regulations prior to permit issuance.

~~15.44.300 Section 4.1 amended--Protection of aboveground tanks for motor vehicle fuel-dispensing stations outside building--Appendix II-F.~~

~~Section 4.1 of Appendix II-F is amended to read as follows:~~

~~4.1 General. Protected aboveground tanks shall be listed and shall meet the requirements specified in UFC Standard 79-7, UL 2085 and shall be labeled accordingly.~~

~~Specific findings: The UFC does not require that aboveground tanks used for dispensing flammable or combustible liquids meet the requirements of Underwriters Labs (UL). The UL Standard requires additional design safeguards for such tanks thereby reducing the possibility of tank failure. This amendment requires that tanks additionally comply with UL Standards. (Ord. 1494 N.S. § 1 (part), 2000)~~

~~15.44.310 Section 4.3 amended--Protection of aboveground tanks for motor vehicle fuel-dispensing stations outside buildings--Appendix II-F.~~

~~Section 4.3 of Appendix II-F is amended to read as follows:~~

~~**4.3 Size**. Primary tanks shall not exceed a 2,000 gallon individual or 6,000 gallon aggregate capacity.~~

~~Specific findings: The UFC allows aboveground tanks used for dispensing of flammable or combustible liquids to be up to twelve thousand gallons for a single tank and forty-eight thousand gallons for the aggregate of all tanks. The Santa Clara County Fire Prevention Officers Association believes that these volumes are excessive and potentially hazardous. Single and aggregate amounts of two thousand and four thousand~~

~~gallons respectively are considered acceptable. This amendment limits the storage accordingly.~~

15.44.1040 Fire Protection Plan Urban-Wildland Interface (UWI) Areas.

Article 86 is amended to read as follows:

Article 86 is deleted.

15.44.1050 ~~15.44.320 Section 5 amended--~~Fire hydrant locations and distribution.~~--Appendix III-B.~~

Section 5 of Appendix III-B is amended to read as follows:

SECTION 5 – DISTRIBUTION OF FIRE HYDRANTS

The average spacing between fire hydrants shall not exceed that listed in Table A-III-B-1.

EXCEPTION: The maximum spacing of hydrants in commercial areas shall be 250 feet.

Regardless of the average spacing, fire hydrants shall be located such that all points on streets and access roads adjacent to a building are within the distances listed in Table A-III-B-1.

Specific findings: ~~The UFC allows the spacing of fire hydrants in commercial areas to be up to five hundred feet. Long hose lays equates to more time elapsing prior to putting water on the fire. Because the city has limited local resources and outside agency response times are extended, closer spaced hydrants will help ensure that water is more readily available. This amendment requires that hydrant spacing in commercial areas is not less than two hundred fifty feet which will help result in having fires more quickly controlled and extinguished.~~ ***The CFC allows the spacing of fire hydrants in commercial areas to be up to 500 feet. This equates to relatively long hose lays which results in more time elapsing prior to putting water on the fire. The City has limited local fire resources and mutual aid response times are extended due to the geographically isolated location of the City of Morgan Hill. This amendment requires that hydrant spacing in commercial areas not be less than 250 feet which will help result in having fires more quickly controlled and extinguished by local fire suppression resources.***

15.44.1060 ~~15.44.330 Section 16.3 added--~~Suppression and control of hazardous fire areas--Appendix II-A.

Section 16.3 is added to Appendix II-A to read as follows:

16.3 Firebreak Vegetation. When brush or vegetation growth is removed and cleared away to provide a permanent firebreak as required by this section, suitable growth which will not form a means of rapidly transmitting fire shall be planted in such a manner so as to reduce the possibility of erosion.

Specific findings: The UFC section relative to hazardous fire areas in the hillside is silent on the matter of replacing vegetation that is cleared for defensible space, with other appropriate plantings to reduce erosion. This amendment addresses that issue.

15.44.1070 ~~15.44.340 Section 25 added –~~Roof coverings in hazardous fire area--Appendix II-A.

Section 25 is added to Appendix II-A to read as follows:

SECTION 25 - Roof Coverings. Roof coverings on all buildings shall be fire-retardant, and shall comply with the standards established for Uniform Building Code Class A roofing. Re-roofing of existing buildings shall comply with the above except that any re-roofing of less than ten percent (10%) of the total roof area on any building shall be exempt from this requirement. Additions to existing buildings exceeding ten percent (10%) of the total roof area shall comply with this section.

Specific findings: The UFC section relative to hazardous fire areas in the hillside does not address roof coverings. This amendment requires the most fire resistive roof covering type, "Class A," in the hillside areas for both new and reroofing applications.

Section 3. **Severability.** Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 4. **Effective Date; Posting**. This ordinance shall take effect thirty (30) days after its second reading. This ordinance shall be posted at City Hall.

The foregoing ordinance was introduced at the special meeting of the City Council of the City of Morgan Hill held on the 26th Day of March 2003, and was finally adopted at a regular meeting of said Council on the 16th Day of April 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST: **APPROVED:**

Irma Torrez, City Clerk **Dennis Kennedy, Mayor**

❦ CERTIFICATE OF THE CITY CLERK ❦

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1612, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 16th Day of April, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:_____

IRMA TORREZ, City Clerk

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: MARCH 26, 2003

Agenda Item # 6

Prepared By:

_____
Manager, Recreation & Community Services

_____
Finance Director

Submitted By:

_____
City Manager

SPECIAL EVENT INSURANCE POLICY REVIEW FOR THE COMMUNITY AND CULTURAL CENTER

RECOMMENDED ACTIONS:

1. Receive report
2. Provide direction to staff as to insurance risk level and cost recovery impact acceptable to Council
3. Schedule a public hearing if changes to the current policy are preferred by Council.

EXECUTIVE SUMMARY: The Community and Cultural Center (CCC) has been available for rent to private users, non-profit groups and the community since January 2003. Over its brief history, there have been a number of issues that have affected the possible cost recovery of the center. Staff will be before Council in the next few weeks with a comprehensive report reviewing these issues. One issue that is affecting the marketing of the Center is the insurance requirements for private and non-profit users. If the CCC is to meet its goal for cost recovery and be accessible for community use, then staff believes that the insurance requirements should be revisited.

The current insurance policy in order to rent the CCC is provided under attachment A. The insurance coverage is required for events at the CCC that fall into the following criteria: 100 or more attendees, with dancing and/or alcohol involved or in the amphitheater. If the user group has less than 100 attendees, then only a hold harmless waiver and release agreement needs to be signed.

A user of the CCC who needs insurance has two options. They may have a rider placed on their homeowners or renters policy with the city's requirements stated, or they may purchase coverage through a Special Event Insurance provider the city has made available. Potential users of the CCC are finding it increasingly difficult to obtain affordable insurance through their own policies and the requests to provide coverage through the city's Special Event Insurance provider has increased. The cost for insurance coverage is becoming a deterrent for potential users of the facility, who find it less restrictive at other local venues.

Staff is recommending that Council revisit the insurance requirements regarding risk and cost acceptance levels. There are several options that Council should review:

A. Council establish an insurance fund to cover the $100,000 deductible under the City's ABAG liability insurance policy, where this fund would be financed through user fees. The remaining coverage would come from the ABAG policy. This change in policy would shift the risk from the outside insurance providers to the city entirely.

B. Continue to investigate the affordability of purchasing a policy for coverage of the CCC's and its events. Have not been successful in finding this type of coverage so far.

C. Continue with the current policy. Risk and cost stays with the user.

Fiscal Impact: User special event insurance rates are adversely impacting the renting of the Community and Cultural Center for private and non-profit events, but a shift in the risk management of the CCC may result in increased liability and claims against the city and adversely impact the budget.

TO: ED TEWES, CITY MANAGER
FROM: JULIE SPIER, RECREATION AND COMMUNITY SERVICES MANAGER
RE: COMMUNITY AND CULTURAL CENTER SPECIAL EVENT INSURANCE COVERAGE
DATE: MARCH 20, 2003

The Community and Cultural Center has experienced many growing pains in its brief history and staff will be reporting to you and Council in the following weeks to review operating policies and procedures. One issue that staff recommends addressing as a separate item is the insurance requirements for private and non-profit users, which appears to have the biggest impact on the successful marketing and cost recovery of the center. The current insurance policy is attached as item A. The reason for the insurance coverage for private and non-profit user groups in the CCC is to shift the risk to the user group for the event. This coverage makes complete risk management sense since the controlling factors of the event are with the proposed user and they reap the benefits of this use.

Unfortunately, many changes have occurred in the insurance industry since the CCC opened. If the CCC is to meet its goal for cost recovery and be accessible for community use, then staff believes that the insurance requirements should be revisited and assessed as to the impact on cost recovery goals are acceptable.

Insurance changes as of January 2003

Prior to January, 2003 the City had provided a process for users to either obtain special event insurance coverage through their homeowners or renters insurance – or- through an insurance provider with the city. This process was used for large special events, jump houses at the parks, tournaments and private gatherings of over 50 people at the park (ie weddings, birthdays, reunions). The city's insurance provider, Diversified, had a simple process in place and was not considered expensive.

In January 2003, the insurance industry and the city's needs dramatically changed. The CCC opened and the request for coverage increased with private receptions and parties. At the same time, insurance requirements and fees changed and city staff has worked to understand and incorporate these changes.

The city's provider, Diversified, now require a ten page application for insurance requests compared to the one page form used previously. The rates increased dramatically with the increased number of events including alcohol. Staff has heard from potential users that the insurance process is cumbersome, not user friendly, and expensive for the end user. Staff did look for a new provider. Driver Alliance, a special event insurance provider, is one of the few companies still providing this type of insurance coverage. They require a single page form and fees appeared reasonable in comparison.

Insurance Classifications

There are many variables that place a typical activity into different categories. Both insurance companies provide classification ratings according to their assumed level of risk. Factors, such as alcohol, number of participants, and music are then considered and rates are quoted based on these variables. This has proven difficult for the end user, as events that appear similar are assessed at different risk levels. For instance with Driver Alliance insurance:

1. A wedding with 150 guests is considered a class I risk level event. The insurance cost is $115 through Driver Alliance. Factor in alcohol and the fee then increases to $180 and requires prior approval by the carrier.

2. A retirement party with 150 guests is considered a class II risk level event. The insurance cost is $211.25. Factor in alcohol and this event requires a quote from Driver Alliance. The quote was $500.

2.B. The client for the retirement party worked through their homeowners and was charged $406. This event's rental fee was only $1,500 (with a $500 refundable deposit). The client called staff and commented that the insurance cost and process was ridiculous and if it wasn't so late in the process they would have gone to another facility.

Clients are also finding it difficult to provide coverage through their homeowners or renters policies. Insurance companies prefer not to provide these types of riders, or the cost is becoming prohibitive.

Local Facility Insurance Requirement Comparisons

Cities of Sunnyvale, Campbell, Santa Clara and Gilroy only require a hold harmless agreement. The Finance Director conducted a search on the CSMFO list-serve asking cities across the state if they required users of community facilities to purchase or provide special events insurance protecting that city. All 17 respondents, including Cupertino, indicated that they do require users to provide insurance. Milpitas does not require additional insurance. The primary risks borne by the City are that someone will fall or be otherwise injured while attending an event at the center. This risk is magnified in situations where persons are dancing, drinking alcohol, and/or using the amphitheater. This risk is larger for a city our size than for a larger city because we do not have the larger financial resources and ability to absorb losses that a larger city enjoys.

Local facilities that have the same type of events held include: Morgan Hill Holiday Inn Express, San Jose Fairmont, Hayes Mansion (City of San Jose) and Coyote Creek Golf Club, of which do not require additional insurance. Morgan Hill Grange asks for a hold harmless agreement and Guglielmo Winery requires insurance coverage in the amount of $500,000. These private entities are in the business of renting out facilities and it is unlikely that their insurance policies have high deductibles and/or costs since they are insuring for a relatively narrow spectrum of business risks and not for the wider spectrum of risks that a city faces. San Jose Civic Auditorium and the Santa Clara Convention and Visitors Center do require additional insurance.

Please note that these are not direct comparisons as there are many variables that impact risk acceptance levels. Some of the facilities only allow wine, beer and champagne and no hard liquor. Others have facilities that are not as multi-faceted as the CCC—such as holding events and community classes in the same facility. Also, all of the facilities have an insurance history which the City of Morgan Hill's Recreation and Community Services Division does not. These locations have been able to bring their users along as the insurance industry and acceptable risk levels change. At the CCC, we are faced with implementing policies that may be new to the community with no history with us.

Issues

The process has been frustrating to clients who desire to know the complete cost of renting the facility before committing. In order to get an accurate insurance quote staff needs to know details about the event and then submit an appliction to the insurance provider and wait for a reply. Clients are surprised by the cost of the insurance options. In an increasing number of cases, users have been unable to attain the required insurance through their homeowners or renters policies. Clients have declined to reserve the facility once they find out about the insurance costs involved. This has resulted in numerous wasted efforts by staff and unhappy clients.

Staff's involvement with insurance issues has had an impact on staff resources. The insurance process requires filling out the application, calling the insurance broker, discussing the event, interfacing with them and then getting back to the client. Due to no history with this new insurance broker, they are

unwilling to provide us a rate sheet that includes the variable factors until we have a claim history with them of at least six months for us to be able to quote with reasonable certainty. Also, the insurance rates are subject to change every January. We are unable to quote rates for those planning events for the following year.

There are also restrictions as to coverage, as well as many activities require prior company approval before proceeding. For example, indoor concerts, musicals, concerts outdoors, parades, street fairs, rock concerts and ethnic celebrations all require prior company approval before staff can guarantee their booking. Driver insurance will not cover circuses, carnivals, jump houses, hip-hop concerts and the use of tents.

Proposals

The Risk Manager has tried to receive quotes for coverage of the CCC and the events held there as a separate policy and has been unsuccessful. Staff can continue this search.

The City of Morgan Hill is also self-insured through ABAG with a $100,000 deductible. The city has an internal fund charged to departments that contribute to the deductible for current risks except for special event coverage. A consideration may be to increase this fund and include the special events uses at the CCC to build up a reserve to cover an additional $100,000 deductible. Staff would propose that this be funded through user fees at the Community and Cultural Center who fall into the increased insurance coverage policy requirements.

Staff is recommending that the cost be passed on through to the user as follows:

Event with alcohol (and/or) dancing (and/or) amphitheater

- 0-100 participants $50
- 101-250 participants $100
- 251-400 participants $200
- Over 400 participants will require the user to purchase policy coverage protecting the City.

The fees would apply to all groups of up to 400 persons who use the CCC, the amphitheater, involve alcohol, or include dancing, since these activities represent the greatest risk to the City. Implementing these new fees will require a subsequent public hearing or public meeting.

The current process does not assess insurance coverage to those events with alcohol under 100 people and staff is recommending that this limitation be removed.

This process will take approximately 3 and 1/3 years to fund the $100,000 deductible, assuming that no claims are made against the City during this time period.

Risks

Under the self-insured concept, the City would now bear the *entire risk* instead of the risk being shifted to an outside insurance company. The current insurance market is making it increasingly difficult for users to obtain insurance on their own. If the Community and Cultural Center is unable to assist in the insurance requirements, the ability to rent the facility will be and has been adversely affected. Currently, the ability to rent the CCC is dependent on adequate insurance coverage.

The primary risks borne by the City are that someone will fall or be otherwise injured while attending an event at the center. This risk is magnified in situations where persons are dancing, drinking alcohol, and/or using the amphitheater. This risk is larger for a city our size than for a larger city because we do not have the larger financial resources and ability to absorb losses that a larger city enjoys.

Opportunity

If Council chooses to be self-insured for special events it will enable staff to quote costs in the initial contact with a user; provide for extended coverage for all events involving alcohol; frees up staff time currently used to process insurance forms for the outside provider; and will not subject us to fee changes every January.

Rental policy will continue to require event attendant(s) and security guards so the center staff will continue to manage the insurance risk.

The change in policy will increase the City's risk but incorporates a plan to fund the deductible and increase the opportunity for cost recovery. By charging the proposed fees to certain users, the City should generate approximately $30,000 per year, which over 3 & 1/3 years will provide $100,000 in funding to cover one City insurance deductible.

The City is at increased risk if a claim is made and the fund is not fully budgeted. Also, the $100,000 deductible may be used for a single claim, and then the account would need to be replenished. The risk to the city for all of the costs is a direct impact to the budget.